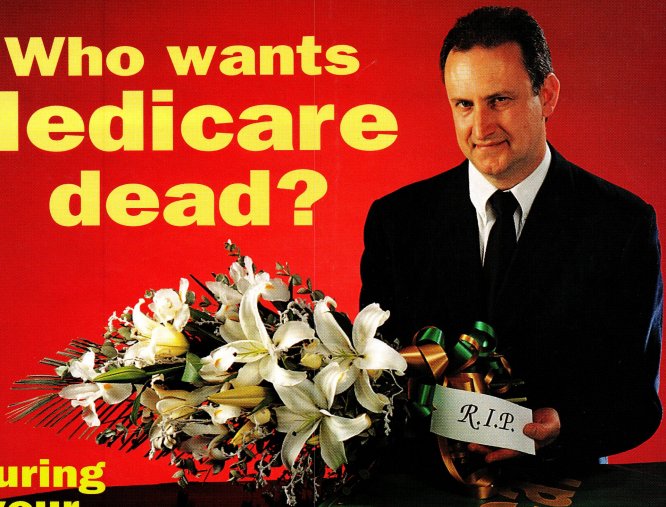
Australian Consumers' Association

November 1997

CHOICE

Who wants Medicare dead?



Insuring your income

How to get what you need

Credit for Christmas?

Choosing the cheapest credit card

TESTS: Air conditioners • Petrol lawnmowers

Keep politics out of healthcare

Jane Mackenzie

When you read the article *Is our healthcare system in crisis?* (starting on page 6) you might be tempted to accuse CHOICE of political bias — we're criticising any signs by the current Federal Government that indicate a lessening of commitment to Medicare, and are championing the maintenance of a quality public-funded healthcare system with access for everyone, based only on medical need.

CHOICE is in fact as non-party-political in this stance as it always is and always has been. We'd take on any political party that wanted to move Australia from a universally accessible, publicly funded healthcare system to a two-tiered system where subsidised healthcare was regarded as 'welfare' for the poor and the aged, and anyone who was considered able to afford it would be forced to use the private sector.

Not only does a system like that often deny many people access to quality healthcare (in the US, for example, an estimated 40 million people are not covered by either the public system or private insurance), it's also liable to make healthcare cost the country more. The more powerful the private sector, the less the government has the clout to keep costs under control.

What's more, a recent CHOICE survey found that, based on consumers' experiences, our healthcare system is *not* in crisis. Average waits for hospital beds are reasonable, and both our life expectancy and infant and child mortality rates compare well with other developed countries.

That's not to say the system is working perfectly for everyone — areas such as improved rural and community healthcare and more timely access to public hospitals for some patients need addressing, for example. However, it needs strong commitment from the government to prevent it from slipping into a state that can then be used as an excuse to move to a different system that would advantage no-one but health providers such as private hospitals and health insurance funds.

So it's not a matter of politics — CHOICE would be fighting for a publicly funded, universally accessible health system no matter which party was in power, because it's both fair and it makes good economic sense.

Jane Mackenzie, Editor

Your letters

We welcome the letters you send us — please always include a daytime telephone number so we can contact you quickly if we want to follow your letter up. We're sorry we can't personally answer every letter we receive, but we do use them in our research. Thanks for taking the time to keep in touch.

Write to us at CHOICE, 57 Carrington Road, Marrickville 2204.
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World Wide Web address: www.sofcom.com.au/ACA/

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Cover photo: Kent Mears

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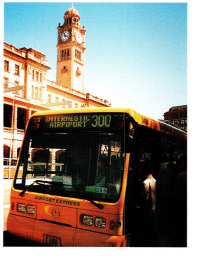

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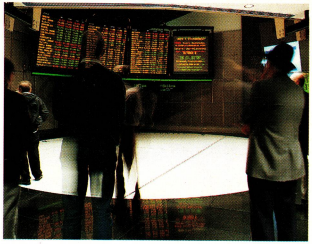
It could be financially more disastrous to be unable to work than to have your home broken into or your car stolen. How do you find a good insurance policy to protect your income?

We've checked out policies and their prices to produce a Buying Guide for income protection insurance. Page 20.



Playing the stockmarket can pay you well, but it's risky. See page 37.

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Investing in shares can be risky — particularly if you're faced with information that doesn't give you the full picture. Here are some traps to watch out for.

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Split systems give you a cool home without the usual air conditioner noise — the ideal solution?

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Mulching mowers cut the grass, chop it into tiny pieces and blow them back into the roots — ideally giving you a smooth lawn that also needs less watering and fertiliser. How well do they work in practice?

Coming in the next three issues:

Tests: Notebook computers, saucepans, chardonnay, ladders update, mini hifi systems, corkscrews, gas cooktops, VCRs, mobile phones, fish, multidisc CD players, fridges, day packs, thermometers.

Reports: CHOICE's Annual Buying Guide, lemon laws, vision care, how supermarkets tempt you to buy products, product certification schemes, organic food, retirement villages, food labelling, electronic banking, how satisfied are you with your bank?

We try to bring you tests and reports in the planned month, but sometimes have to move an article because of problems that occur during testing and research, or for lack of space in a particular issue. We apologise if this causes any inconvenience.

Does a mini hifi system give you a good sound?

CHOICE*cuts*

Cornflour confusion

WHEN CHOICE FEATURED AN article on genetically modified corn in May this year, **WESTONS** complained that we'd included its biscuits in a group photo in this article, and that this implied they could contain genetically modified corn simply because cornflour is an ingredient. The company told us the cornflour in all its biscuits is derived from Australian-grown wheat, not corn (maize).

So while the **WESTONS** biscuits didn't really belong in our photo, the confusion stems from the fact that cornflour doesn't have to be made from corn — the food regulations state that it can be made from the starchy part of *any* cereal grain. And unless it's a packet of cornflour rather than just an ingredient, the label doesn't have to say which grain has been used.

We think this is pretty confusing for people, who understandably expect cornflour to be made from corn. It also means if you're worried about the use of genetically engineered corn in products and want to avoid it, you've no way of knowing which products containing cornflour are a problem.

Not knowing the grain used can also be particularly important for people with coeliac disease (a sensitivity to a wheat protein) — some people with this disease can react even to the small amount of wheat protein still present in wheaten cornflour.

All the more reason why the government regulator should insist manufacturers tell people what type of cornflour they use.

INGREDIENTS: SUGAR, FLOUR, VEGETABLE OIL, GLUCOSE SYRUP, COCOA, NON-FAT MILK SOLIDS, PECTIN, CORN FLOUR, EMULSIFIERS (322, 476, 493), INSTANT COFFEE, SALT, FLAVOURS, MINERAL SALT (339), FOOD ACID (330), COLOURS (150, 155, 102, 123, 133), PRESERVATIVES (202, 211), WATER ADDED.

If you thought cornflour was automatically made from corn, you're wrong — another example of unhelpful labelling regulations.

Kids at risk

TWO 'IN' SPORTS OF THE eighties and nineties — skateboarding and rollerblading — are taking their toll on children. Between 1988 and 1996, the Victorian Injury Surveillance System (VISS) recorded more than 1000 cases of 10- to 14-year-olds who had to be treated for injuries related to these activities.

While this is much lower than the number of injuries caused by, say, riding a bicycle or sports such as football, rollerblade injuries in particular have been "increasing dramatically".

The forearm, elbow, wrist and hand are most likely to be injured, because the natural reaction is to use your outstretched arms to break your fall.

Older children (10 to 14 years old) seem to be particularly at risk because they're growing and developing rapidly without always being aware of and used to their current body size and shape. While they may feel confident enough to take higher risks (for example, rollerblading at high speed or practising tricky skateboard manoeuvres), they often can't judge the likely consequences.

However, the risk of injury when children are skateboarding or rollerblading can be reduced:

- Beginners should learn the basic skills properly in a supervised location. Look for local sports clubs that offer training courses.
- Children should be encouraged to use areas designated for their sport and stay away from traffic and pedestrians.
- They should always wear protective equipment: pads for elbows, knees and wrists, and a helmet. Only 14% of all children treated for skateboard injuries were wearing any safety gear.
- They should be aware that even when wearing protective equipment, there's a risk of being injured in accidents.
- All their equipment should be checked regularly for wear and tear.

A helmet and elbow, wrist and knee pads are essential safety gear for skateboarders and rollerbladers.

Corrections

Car insurance

CHOICE, July 1997

■ **What's in a comprehensive policy?**
We said on page 8 that special windscreen cover that allows you to make a claim for windscreen damage without affecting your no-claim bonus and without having to pay an excess was missing from **AAMI**'s policy "except in Queensland and SA, where it's included". This should have read: "except in SA, where it's included" — in Queensland **AAMI** policyholders retain their no-claim bonus but have to pay the excess.

■ **Table 2: Policy features**
In footnote (L), referring to **NZI Top Cover**, we said, "Up to $500 excess waived if you have three current **NZI** policies." This should have read: "Up to $500 excess waived if you have more than three current **NZI** policies."

Cord meltdown

WHEN ONE OF OUR READERS WAS USING THE extension cord pictured below with her heater, she noticed that the cord was getting hot, so she turned it off at the power point and pulled out the plug. It was so hot that the insulating plastic around the pins and wires had melted.

This is a very dangerous situation — if she'd accidentally touched one of the pins as she pulled it out, she could have been burnt or, in some circumstances, electrocuted. And if she hadn't noticed it, there could've been a fire.

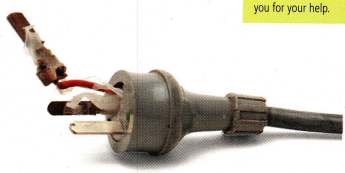
Using an extension cord with a heater is generally not recommended. Heaters use a lot of power, and you need a cord which is thick enough to carry the electric current without overheating — generally, the greater the current and the longer the cord, the thicker the wire in the cord has to be.

But if you must use an extension cord with a heater:

- The extension cord and plug must be rated at least 10 amps (or 2400 watts) — ask the dealer what you need. Heater cords may not seem very special, but they're the right specifications for their length. If you increase the length with an extension cord, you need a heavy-duty one.
- Make sure the cord is fully extended, not rolled up (this goes for the heater cord as well), and don't cover it with a rug.
- Feel the plug, the cord and the power point regularly to make sure they're not overheating. If the plug or socket gets very warm, switch off the power and allow them to cool before pulling the plug out carefully — and have the plug and socket checked.

General safety rules

- Heaters and other high-power appliances such as kettles, frypans, hotplates and portable ovens shouldn't be connected to adaptors or power boards — a power socket is usually rated at 2400 watts, so additional items will overload it.
- Always switch power off at the power point, then pull the cord out by the plug, not the cord itself.
- If a plug or power point is damaged as a result of overheating — if there are signs of melting or charring, for example — get an electrician to replace the socket and the plug. The heat can damage the contacts, which in turn causes more heat, so the situation may recur if you don't. The appliance may also be at fault, so get it checked at the same time.



Don't use a heater with an extension cord unless you've checked that the cord can handle the high current — it should be rated at least 10 amps. Otherwise you could find your plug melted like this one — or worse.

Can you help?

Caring for someone at home

Have you cared for someone at home — an elderly family member, or someone coming out of a stay in hospital? If so, we'd like to hear your story, as we're planning a major article on this issue.

- What are the circumstances under which you became a home carer?
- What are the ups and downs of being a home carer?
- What have your experiences been with hospitals and other health services (both good and bad)?
- What has been the most valuable assistance you've received, and from whom?
- What sort of assistance have you required and been unable to get?

Please send your experiences to **Caring for someone at home**, CHOICE, 57 Carrington Road, Marrickville 2204, or fax to (02) 9577 3377, by January 9, 1998. Thank you for your help.

The breakfast serial

Full of sugar ✔

YOU'LL OFTEN FIND THE NUTRITIONAL VIRTUES OF A breakfast cereal splashed across its box, but needless to say, not a mention of any vices. And this definitely rings true for KELLOGG'S HONEY SMACKS. This cereal is 57% sugar — that's around four teaspoons in a 30 g serve.

But the glowing nutrition guide on the side of the box (see right) suggests nothing of the sort. We think it's a bit rich claiming that HONEY SMACKS are high in complex carbohydrate, with no mention of their having over one and a half times as much sugar as they do complex carbohydrate. They're in fact one of the breakfast cereals with the lowest complex-carbohydrate content on the market.

So if you're trying to choose a reasonably nutritious breakfast cereal, read the nutrition information panel and ingredients list — don't just count the ticks. For more on choosing a breakfast cereal, see CHOICE, May 1997.

This is what their checklist says:

Good source of 5 vitamins	✔	High in complex carbohydrates	✔
Low in fat	✔	Good source of iron	✔
No cholesterol	✔	No preservatives	✔
No artificial flavours	✔	No artificial colours	✔

What they left off:

One of the lowest complex-carbohydrate breakfast cereals	✔
Low in fibre	✔
Highest-sugar cereal	✔

We added a few of our own nutrition facts to the Honey Smacks checklist — as you can see, there are two sides to every story.

Is our healthcare system in crisis?

IN BRIEF

- A universal, publicly funded healthcare system like Medicare keeps health costs lower than in a system dominated by private health funds and hospitals, which would have few restrictions on what they could charge (see page 7).
- The US spends as much per capita on its 'welfare' healthcare services for the poor and aged as many other countries do on a universal public system for all residents, like Medicare. And still 40 million Americans are not covered by the private or public system (see page 7).
- Our survey found that in Australia most non-emergency patients were admitted to hospital in 30 days or less — but public patients were significantly more likely than average to wait three months or more (page 9).
- Proposed new ways of funding and providing healthcare could pose dangers to the quality of the healthcare system unless proper consumer protection is put in place (see page 11).

Do media reports claiming Australia's health system is in crisis have any truth in them, or is it just a beat-up that plays into the hands of those who'd like to see the end of a universal healthcare system in this country? Our survey looks at the real state of our healthcare system and the myths and realities involved.

PARTICIPATION IN PRIVATE HEALTH insurance has dropped from around 50% of the population before Medicare was introduced in 1984, to just over 30% at the last count. People are voting with their feet and opting to use Medicare or pay their own way instead.

But rather than a crisis in our hospitals, we found most people were admitted to hospital in 30 days or less. That's good news, but our survey may also signal a warning that some people could be getting faster access because they can afford to pay (see page 9).

This would be a stark contrast to the government's stated commitment to retain Medicare — where you get access to healthcare on the basis of clinical need, not ability to pay. The government's recent advertising campaign to encourage people to take out private health insurance to avoid the wait for public hospitals makes its stated commitment to Medicare even less believable.

CHOICE thinks there's a real danger that the Federal Government, the private health funds and private hospitals, and some members of the medical profession will try to move Australia from a universal healthcare system to a two-tiered set-up. Medicare would then be a welfare-based system and those who were considered to be able to afford it would be forced to use the private sector. Australia could find itself going down the American path — where healthcare costs more and life expectancy is shorter.

PLAYING THE WAITING GAME

Colleen and Les have experienced the good and bad side of the public hospital system. When Colleen had their daughter recently at an Adelaide public hospital, they had nothing but praise for the care they received. But when it came to 'elective' surgery Les needed, they had a long wait — and nobody explained the reasons to him. He waited 12 months for knee surgery and is still waiting to have an operation to relieve deafness in one ear — he's already been waiting 12 months and has now been told it'll be another six months before he's treated.

CHOICE says: The reasons for excessive waits for hospital care need to be dealt with — and it isn't always the lack of a hospital bed that keeps you waiting. The number of specialists can be a big part of the problem too. In Les's case a shortage of ear, nose and throat specialists means there is more demand than they can fill. More specialists need to be trained to keep up with demand.

Medicare — how it's funded

The Federal Government funds medical, hospital and pharmaceutical services from the Medicare levy and general tax revenue. The Medicare levy is a flat 1.5% levy on your taxable income.

The Medicare levy raises less than 20% of the money the Commonwealth spends on healthcare — other taxes make up the difference. On top of this, many health costs (such as pharmaceuticals and some medical services) are paid for by individuals (see right).

However, as a proportion of gross domestic product (GDP), Australia's spending on healthcare is about average by world standards. Further shifting of the burden to the private sector could lead to an increase in spending (and costs to consumers), as the government would have much less power than at present to set prices. Medicare makes sense economically as well as ensuring people get access to healthcare on the basis of need.

Medicare: fair and affordable

Australia's spending on health is about average by world standards (see Figure 1, below). Compared to the US we are doing well — Medicare as a big buyer of healthcare services helps keep costs under control. And in fact we already have a high share of private-sector funding by world standards — health funds pay a lot towards private hospital expenses and individuals pay out of their own pockets for medical services and pharmaceuticals that aren't covered by Medicare or private insurance.

The US spends as large a percentage of GDP on its government programs for the aged and poor as other countries spend on a public system for all residents — and still 40 million Americans are not covered by the private or public system. In the US prices are set by powerful service providers such as doctors and hospitals. Private health insurers and the US government have historically had little power to control prices.

This is the price they pay for a system that treats healthcare as welfare for the poor and the aged, rather than a right of all residents. Maybe this is why no country is reducing the number of people covered by a universal healthcare system like Medicare.

Increasing technology and aging of the population are placing strains on health systems in most developed countries, but radical reform is not needed in Australia. However, an increased focus on Medicare and the quality of care and health outcomes is needed (see *Protecting consumers*, page 11).

Medicare aims to:

- **Make healthcare affordable for all residents of Australia.**
- **Give access to healthcare services on the basis of clinical need — not ability to pay.**
- **Provide a high quality of care.**

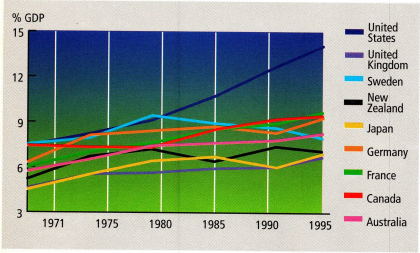
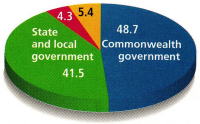
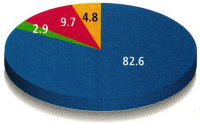


Figure 1. Different countries' healthcare expenditure is often compared according to how much of a country's gross domestic product (GDP) is spent on health. GDP can be thought of as how much a country's economy produces in one year. Australia's spending on healthcare is average by world standards.
(Source: *Health Expenditure Bulletin Number 12*, 1996)

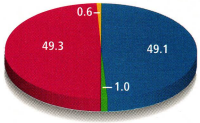
Who pays for public hospital services? (%)



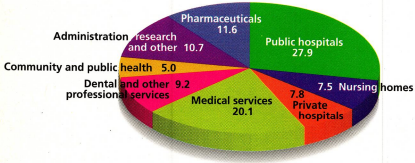
Who pays for medical services? (%)



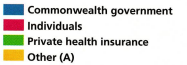
Who pays for pharmaceuticals*? (%)



Proportion of health service expenditure from all sources 1994/95 (%)



'Other' includes ambulances, aids and appliances, public psychiatric hospitals and other institutions.
(Source: *AIHW Bulletin No. 13*, 1997)



* Includes prescription and over-the-counter medicines.
(A) 'Other' includes expenditure by Workers' Compensation and Compulsory Motor Vehicle Third Party insurance.

Myths vs reality

Myth: Our healthcare system is in crisis.

Reality: The facts don't support this myth — they show our healthcare system is far from being in crisis:

- Our survey found most non-emergency patients were admitted to hospital in 30 days or less — but public patients waited longer than private.
- We are living longer — 77 years on average, compared with 71 in the early 1960s — and our standard of healthcare is one of the reasons.
- Infant deaths and deaths of children under five are among the lowest in the world.
- What we spend on achieving such good health is about average by world standards — we rank ninth (out of 24) for spending against similar countries.
- Conditions aren't perfect — an increase in resources, including public hospital beds and doctors as well as better healthcare in the community, may be needed to meet future demand.

Myth: Increasing the number of people with private health insurance will take the pressure off public hospitals.

Reality:

- Many of those dropping private health insurance are young and healthy and aren't big hospital users.
- There is a shortage of some specialists, such as orthopaedic surgeons, and if there is more demand from private patients, less of their time may be spent on public patients and the pressure on some public hospital waiting times could increase.
- A bigger private sector is in the interest of some doctors, private hospitals and health funds, as it would increase their income.

Myth: The rich should stop bludging off the public system.

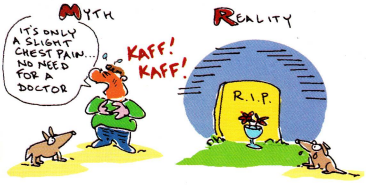
Reality:

- We all pay our taxes — higher income earners pay more — as well as the Medicare levy, so all Australians have a right to use a public hospital when they need one. If people choose to, they can also buy additional healthcare cover offered by private health funds.
- Public hospitals deal with more accident and emergency cases and more of some of the complex illnesses, such as those involving the circulatory and respiratory system — we may all need these services at times.
- By sharing the same universal system we all have an interest in maintaining and improving its quality.

Myth: Medicare leads to overuse.

Reality:

- People don't want to go to hospital more often than they need to.
- Bulk billing by doctors doesn't lead to widespread overuse of the system.
- Some people use more services than average, often because they have complex health needs.
- Seeing a GP more often is better than waiting until you're so sick you need to be admitted to hospital.



Our survey

- We received over 6000 responses from subscribers to our healthcare survey, which was sent out to 12,000 people during July and August this year.
- Just over a third of respondents had been hospitalised since July 1, 1995, and two thirds of them went to a private hospital.
- More people are choosing to 'self insure' (pay their own way) than in our last survey in 1995 (up to 7% from 4%), but over two thirds of our respondents still have private health insurance. This is lower than in our last survey, but much higher than for the general population.

Private health insurance — more choice

We found private patients were significantly more likely than average to have had a choice of specialist (92% did), but over a third of public patients still had a choice. By going as a public patient to a hospital where your preferred specialist operates you can increase your chances of them being able to perform your operation, although it's far from guaranteed.

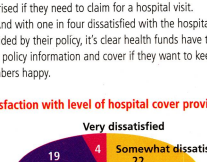
Our survey also found being a private patient in a private hospital meant people were more likely than average to be given a choice of admission dates. This may explain some of the increase in recent years in the number of privately insured people choosing to be treated in private hospitals.

Policy confusion

Almost a quarter of people with private insurance thought doctors' and anaesthetists' fees were completely covered by their policy — which is not the case. As few agreements have been signed by health funds with doctors and anaesthetists to cover their whole fee, those people may be unpleasantly surprised if they need to claim for a hospital visit.

And with one in four dissatisfied with the hospital cover provided by their policy, it's clear health funds have to improve both policy information and cover if they want to keep members happy.

Satisfaction with level of hospital cover provided (%)



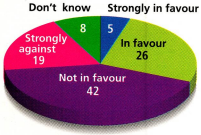
Lower costs but less choice?

Even though private patients don't like paying extra costs out of their own pocket for a visit to hospital, most weren't in favour of restrictions on their choice of hospital or doctor to eliminate these costs.

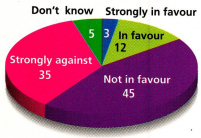
While only a few (2%) reported they were prevented from

going to the hospital of their choice by their health fund, funds have a long way to go in explaining and alleviating concerns about their contracts with hospitals and doctors, as well as the size of out-of-pocket costs patients may face without contracts in place. See *Managed care* on page 11 for more on this.

Choice only of hospitals specified by insurer (%)



Choice only of specialists specified by insurer (%)

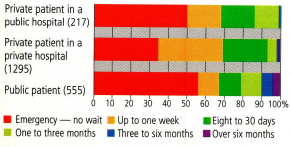


Waiting times

The time people wait, not the number of people waiting, is the best measure of how the health system is coping with demand. And if a health system doesn't base waiting times on clinical need (as Medicare is supposed to), then waiting times may be based on people's ability to pay. We found most of the people who were admitted to hospital as non-emergency patients in our survey (including public patients) were admitted in 30 days or less.

While this is good news, we did find public patients were significantly more likely than average to wait three months or more, and even over six months in some cases (10% of them in total). However, we don't know from our survey whether the type of treatment needed (and the specialist involved) was responsible for the wait (as in Les's case on page 6) or whether there is really a trend for public patients in general to wait longer. If there is, it would be in stark contrast to the government's stated commitment to retain Medicare and continue to provide access to healthcare on the basis of need, not ability to pay. Further investigation by government of waiting times for private vs public patients is needed.

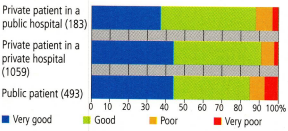
Time waited for admission to hospital


Private patient in a public hospital (217)
Private patient in a private hospital (1295)
Public patient (555)
0 10 20 30 40 50 60 70 80 90 100%
Emergency — no wait
Up to one week
Eight to 30 days
One to three months
Three to six months
Over six months

Life after hospital

Arrangements for care after discharge were considered poor or very poor by over 10% of our respondents — a figure that's far too high. And while only a small number of people in total considered arrangements for after-care were 'very poor' (3%), this was significantly more likely than average if they were public patients (7%). More attention to people's care requirements when they return home is needed.

Arrangements for continuing care after discharge


Private patient in a public hospital (183)
Private patient in a private hospital (1059)
Public patient (493)
0 10 20 30 40 50 60 70 80 90 100%
Very good
Good
Poor
Very poor

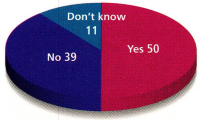
Would you pay more for health?

The majority of people in our survey thought public hospitals were underfunded, including those who had private health insurance. And even in these hard economic times, 37% were willing to pay higher taxes to support our public healthcare system. This was significantly higher than average in Victoria (44%) and NSW (40%) and rose to 50% if people didn't have private health insurance (which is over two thirds of the population).

The case for paying more to support our public health system is even stronger when you consider taxes can be collected more cheaply and fairly by the government than it costs private health insurance funds to collect premiums. A publicly funded health system makes good economic sense.

Willing to pay higher taxes to support Medicare — have private health insurance (%)

Willing to pay higher taxes to support Medicare — do not have private health insurance (%)



Why would you go private?

We looked at this question in CHOICE, July 1996. We concluded that:

- **Private insurance isn't necessary for accidents and emergencies, as you'll usually be taken directly to a public hospital — that's where most emergency departments are.**
- **There's no evidence of better treatment in a private hospital, though it may provide you with more luxury items, such as a single room, a TV and a telephone. It also may provide faster access for some non-urgent, 'elective' procedures, although this isn't guaranteed — there may still be a wait (see *Waiting times*, left).**
- **Private insurance is probably necessary if you want to guarantee a particular specialist performs your operation and is in charge of your care.**

What it costs you to go private

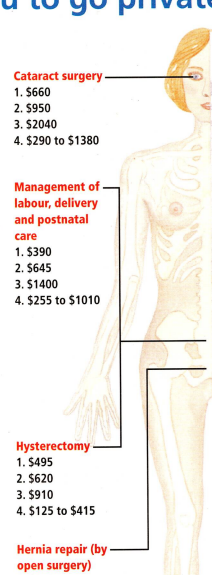
The illustration on the right shows (**4** in each example) what it may cost out of your own pocket for a surgeon to perform some common procedures if you're a private patient with health insurance. Large out-of-pocket costs mostly occur for medical services provided in hospital, for example by surgeons and anaesthetists. What Medicare will cover is based on the **Schedule fee (1)**, which comes from a government 'schedule' that defines fees for particular procedures, such as an operation or x-ray. While some practitioners may charge the Schedule fee, the **average fee (2)** charged in 1996-97 was higher than that for all the procedures we looked at.

The Australian Medical Association (AMA), which represents just over half the doctors in Australia, argues that its **suggested fee (3)** is more valid than the Schedule fee, as it has increased in line with increases in the Consumer Price Index (CPI) and average weekly earnings. However, according to government statistics, less than 3% of medical services were billed at or above the AMA's suggested fee.

The costs quoted on the right are only for the surgeon's fees and don't include hospital accommodation, anaesthetists, assistants or other services, such as physiotherapy, that you might receive while in hospital.

If you have a private health insurance policy that covers 100% of your hospital costs, then the figures (**4** in each example), plus any out-of-pocket costs for an anaesthetist's fees, should provide a rough guide of what you'll have to pay.

CHOICE would like to see all health funds, with the assistance of government, provide this kind of information to their members to help them keep their costs down. Contracts with doctors to cover the full cost of their services aren't widespread and in the interim consumers are left to foot the bill. Doctors should also ensure patients are given an estimate of their costs before they go into hospital — if you're not happy with what they charge, you might consider seeing someone else or trying to negotiate a lower fee.



Cataract surgery
1. $660
2. $950
3. $2040
4. $290 to $1380

Management of labour, delivery and postnatal care
1. $390
2. $645
3. $1400
4. $255 to $1010

Hysterectomy
1. $495
2. $620
3. $910
4. $125 to $415

Hernia repair (by open surgery)
1. $340
2. $365
3. $560
4. $25 to $220

Coronary artery bypass (single)
1. $1615
2. $2155
3. $2675
4. $540 to $1060

Coronary artery bypass (multiple)
1. $1755
2. $2480
3. $2905
4. $725 to $1150

Chest x-ray
1. $49
2. $53
3. $86
4. $4 to $37

Total hip replacement (uncomplicated)
1. $970
2. $1285
3. $1860
4. $315 to $890

Total knee replacement (uncomplicated)
1. $970
2. $1250
3. $1860
4. $280 to $890

Key to the costs above (which are for a surgeon's fees only):

1. Medicare Schedule fee (the government pays 75% of the Schedule fee and your fund pays the other 25%).
2. Average fee charged
(Source: Medicare Benefits Branch, Commonwealth Department of Health and Family Services.)
3. AMA's suggested fee.
4. The range of costs you'll have to pay out of your own pocket if your doctor charges the average fee, up to what you'll pay if they charge the AMA-suggested fee. If your doctor bulk bills (which means they only charge 75% of the Schedule fee) you won't have to pay anything.

Note: The fees paid by Medicare and the AMA's suggested fee are reviewed on November 1 each year.

Figures are rounded the nearest $5, except for the chest x-ray, which is rounded to the nearest $1 as there are smaller amounts involved.

Changes for the better — or worse?

New ways of funding and providing healthcare are either already in use or the subject of trials or heated debate. But what are some of them and how will they affect you?

Evidence-based medicine

Evidence-based medicine (EBM) is when doctors and other health professionals use the best available evidence to make decisions about your care. They should rely on the latest and most thorough external research combined with their own clinical experience.

We'd all like to think EBM is standard practice, but it isn't. The number and type of operations done can vary widely from the 'ideal' — sometimes depending on where people live or whether they have private health insurance. For example, the caesarean rate in Queensland is 58% higher for private than public patients.

It's early days in Australia, but the Federal Government has EBM on its healthcare reform agenda. A downside of EBM is that it could be misused to cut costs at the expense of care.

Casemix

Casemix refers to the numbers of each 'diagnostic category' a hospital treats and the mix of treatments and procedures patients receive. This system helps governments to compare how hospitals perform at controlling costs for the types of patient they treat.

Governments and private health funds can also use the system to decide how much a hospital should be paid to meet its patients' needs. This is already being done by some states in Australia, most notably Victoria and SA. It's also being introduced into private hospitals.

There may be some problems with casemix funding, particularly because payment is based on the cost of treating an 'average' patient. In the US there is evidence of patients being discharged "quicker and sicker" because the system is being used wrongly.

In Australia, some consumer groups have already begun to express their concerns about people being discharged early from hospital under a casemix system, without the support of appropriate community services. But budget cuts at the same time as introducing casemix make it difficult to fully measure its impact.

Managed care

The definition of managed care is itself controversial, but it typically involves someone in addition to your doctor having a say in your care.

In the US managed care is widespread. It was introduced with the aim of cutting the cost of healthcare and limiting the power of doctors to set prices. At its most extreme it involves doctors being salaried or contracted to your health fund, with financial incentives to defer visits or cut down on procedures.

Managed care in the US has shown short-term savings in healthcare costs, but these costs are likely to rise again as fund members age.

It's also been shown that some people are less satisfied with their care under some managed care arrangements, while others may end up spending more time off sick.

In Australia, funds are being encouraged to contract with doctors to eliminate out-of-pocket costs for patients. Doctor groups claim this is one step closer to managed care (see *Protecting consumers*, right).

For more information about managed care, see our policy magazine, *Consuming Interest*, November 1997.

Privatisation

Some privately owned hospitals in Australia operate for profit, some don't — such as those operated by a church or charity group — but all private hospitals mostly provide services for private patients.

In the future, governments may use the private sector to build and operate more public hospitals. However, dealing with the private sector in this way requires governments to have strong negotiators on their side to keep the costs down and protect consumers. Past experience has show governments can get their fingers burnt in these schemes.

One example, according to the NSW Auditor-General, is that the NSW Government will end up paying *twice* to build the Port Macquarie Base Hospital before giving it away at the end of a 20-year period to the private operator.

Keeping costs under control in the private sector is also an issue, and depends a lot on the competition between private hospitals. But if hospitals compete too much, in particular to provide expensive high-technology services, costs may blow out under current payment arrangements, where they are paid for each service they provide.

It's also possible that in rural and remote areas a hospital could raise charges or cut unprofitable services where there is no competition. Central to effective competition is the power of health funds to negotiate a good deal for their members, as well as good information for consumers about their choices — this is often sorely lacking in our complex health system.

In principle it shouldn't matter who owns the hospital; in practice it can matter a lot.

Protecting consumers

CHOICE says to protect consumers we must:

- **Retain a well-funded universal Medicare system that delivers good health outcomes, quality of care and keeps costs under control.**
- **Involve consumers in measuring the quality of care and health outcomes. We should be paying for health services that deliver what we need.**
- **Publish information about the quality of care and health outcomes provided by different healthcare services.**
- **Have independent scrutiny of contracts between private health funds and providers (doctors and hospitals) as well as consumer access to contract details.**
- **Make sure health fund rules allow consumers to easily change funds if they're not happy with their choice of hospitals and doctors.**
- **Set up a waiting-time hotline so consumers can find out if they can get into hospital faster by opting for a different surgeon or hospital.**
- **Have an independent inquiry to look at the level of competition between hospitals, our track record on privatising public ones and who should own them.**

Who pays in hospital?

Public patient in public hospital

Covered by Medicare:

- All your accommodation, medical and ancillary services (such as physiotherapy, medication and diagnostic tests) if you elect to be a Medicare patient in a public hospital. You will be treated by doctors nominated by the hospital.

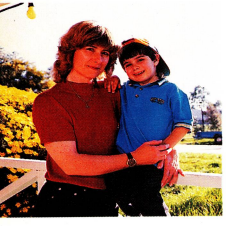
You pay for:

- Incidentals like television hire, personal phone calls, newspapers and magazines.
- Ambulance transfer to the hospital, but not ambulance transport between hospitals, if this is necessary.

Private patient in public hospital

Medicare still pays something towards your medical costs even if you're a private patient. The government also limits the amount your fund can pay your doctor, unless it has a contract with them for an amount above the Schedule fee, which would mean no extras for you to pay. The reason for this limit is that if funds paid what doctors asked without negotiation or contract, healthcare costs could rise unchecked. As yet, few contracts have been signed with doctors, who say it amounts to someone other than a medical professional having a say in your treatment (see *Managed care*, page 11).

KNOW YOUR RIGHTS



Sharon's son Jason was referred to a children's hospital in Melbourne with a suspected urinary tract infection. After waiting in casualty, he was given several tests and stayed in the hospital for four nights.

After he was discharged the bills for hospital accommodation and doctors' fees started to arrive. They had top private health cover and couldn't understand why they weren't fully covered for Jason's hospital stay.

The reason was that this happened before many funds offered 100% cover for hospital costs, when it was a common experience. However, as private patients today they would probably still be hit with some out-of-pocket costs for medical services (such as doctors' fees).

A phone call to the hospital revealed that if Jason had gone in as a public patient, it wouldn't have cost them a cent. Because this wasn't explained to them when they were admitted, they didn't have to pay the bills and instead Jason was recorded as being a public patient.

■ CHOICE says: We all pay the Medicare levy and have a right to be admitted to a public hospital as a public patient when we choose — this is what universal access to healthcare is all about.

The potential cost implications of electing to go private should be explained to you before you sign on the dotted line. If you choose to go private, moves by health insurance funds to sign contracts with hospitals and doctors may mean more of your stay may now be covered.

CHOICE would also like to see clearer information for people on what their private health insurance policy does and doesn't cover before they join up.

Covered by Medicare:

- 75% of the Schedule fee for medical services.

Private health insurance can pay for:

- The remaining 25% of the Schedule fee (unless there's a contract with an agreement to cover costs that exceed the schedule fee).
- Accommodation, theatre costs, medicines and ancillary services, such as physiotherapy (these are usually included in the accommodation charge for public hospitals).
- Surgically implanted prostheses, such as those required during a knee replacement.
- Ambulance transport to hospital.

You pay for (these are known as 'out-of-pocket' costs)**:**

- Any amount above the Schedule fee charged by your doctor or other service provider if there's no contract. As you're a private patient, they and anyone else not directly employed by the hospital who provides a medical service to you can charge what they like above the Schedule fee; this could include your surgeon or anaesthetist, for example. Public hospitals usually have their own diagnostic department, so there is generally no out-of-pocket cost for these services.
- Incidentals like television hire, personal phone calls, newspapers and magazines.
- Any insurance policy excess, co-payment or top-up (if you opted for one when you took out private health insurance).

Private patient in private hospital

Covered by Medicare:

- 75% of the Schedule fee for medical services.

Private health insurance can pay for:

- The remaining 25% of the Schedule fee, unless they have a contract with your medical service provider, when they can cover more.
- Accommodation, theatre fees, medicines and dressings, prosthetic appliances, ancillary services such as physiotherapy, and incidentals like local telephone calls. If your fund has an agreement with the hospital there are usually no out-of-pocket fees for most of these things. If it doesn't, you could be up for paying something towards all of them. Your fund can provide you with a list of hospitals it has agreements with.
- Ambulance transport to hospital.

You pay for:

- Any amount above the Schedule fee charged by your doctor or other medical service provider, unless your fund has a contract with them.
- A payment of up to $20 for some medicines.
- Any hospital costs not covered by your policy.
- Any insurance policy excess, co-payment or top-up (if you opted for one when you took out private health insurance).

Paying your own way

If you choose to pay your own way (known as 'self insuring'), you'll have to pay the charges a fund would otherwise cover.

Who pays outside hospital?

For services you use out of hospital, **Medicare pays:**

- 85% of the Schedule fee for a consultation with a doctor and for other medical services, such as x-rays and pathology tests.
- 85% of the Schedule fee for eye tests. As nearly all optometrists bulk bill you generally pay nothing out of your own pocket. The fitting of contact lenses is only covered if they will give you substantially better vision than glasses.
- Some dental procedures to do with soft tissue around the teeth area, and jaw procedures dealing with dislocation and fractures, performed by approved dental surgeons — it does not cover general or preventive dentistry.
- Some services for people with a cleft lip or palate.

For all these services you can choose your own practitioner.

You pay:

- Nothing if the doctor or other service provider (such as a pathology lab) bulk bills, and therefore accepts what the government will pay as full payment for their service. Many GPs and pathology labs bulk bill as it saves administration costs — they don't have to handle cash or follow up bad debts. However, only around a third of specialists bulk bill.
- The 15% difference between the Medicare rebate and the Schedule fee if they don't bulk bill, although the maximum you will have to pay for this is $50. But you may also be up for anything they charge above the Schedule fee.

A safety net

The difference between what Medicare pays for out-of-hospital services and the Schedule fee is called the 'gap' amount. If your doctor doesn't bulk bill, when the gaps you've paid add up to $276.80 in a calendar year, Medicare will pay 100% of the Schedule fee for any further Medicare-covered services you need for the rest of that year. This 'safety net' amount is reviewed each year.

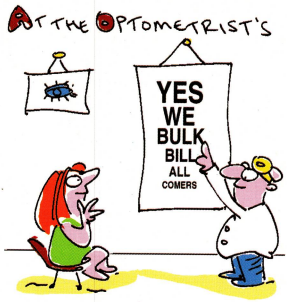
This may help cover further costs, but won't always cover the gap you actually pay — your doctor may charge a lot more than the Schedule fee. The government also doesn't count what your doctor charges above the Schedule fee when it adds up the safety net amount.

Individuals don't have to register for the safety net, as Medicare automatically keeps a record of gap amounts and pays the higher benefit when they add up to $276.80. But to have gap amounts for all members of your family or you and your partner count towards the one safety net, you need to complete a Safety Net Registration Form. Gap payments made prior to registering in that calendar year still count towards the safety net.

Other healthcare services

Medicare doesn't cover a range of other health services that you may need. They include:

- Dental examinations and treatment.
- Ambulance services.



- Home nursing.
- Physiotherapy, chiropractic and other physical therapies.
- Speech therapy.
- Psychology.
- Glasses and contact lenses.
- Hearing aids and other appliances.
- Medicines (many of these are covered by the Pharmaceutical Benefits Scheme).
- Costs for which someone else is responsible, for example when they're covered by a worker's compensation claim.

Private health insurance can cover you for many of these services or you can choose to pay for them directly when you need to use them.

For further information about Medicare, contact the Health Insurance Commission (which administers Medicare) on 13 20 11 or call into a Medicare customer service centre (these are listed in the White Pages telephone directory). They can also help you:

- **To enrol in Medicare.**
- **If you're unsure if a service is covered by Medicare or not.**
- **To apply for a combined 'safety net' for your family.**

Examples of what you could pay

Medical service	Schedule fee (A)	Paid for by Medicare (B)	Average fee charged (C)	AMA-suggested list of fees (D)	What you pay if they don't bulk bill and charge: (1) The average fee, (2) The AMA fee
GP consultation — less than 20 minutes	$24.50	$20.85	$22.60	$36.00	(1) $1.75 (E), (2) $15.15
Specialist consultation — initial	$62.85	$53.45	$69.45	$92.00	(1) $16, (2) $38.55
Specialist consultation — subsequent	$31.45	$26.75	$34.40	$48.00	(1) $7.65, (2) $21.25

Costs (for 1996-97) are rounded to the nearest five cents.

(A) The amount may vary depending on the exact nature of the procedure performed. The fees paid by Medicare are reviewed on November 1 each year. (Source: Health Insurance Commission)

(B) If the doctor or specialist bulk bills they accept 85% of the Schedule fee as full payment for their services. The amount shown in this column is 85% of the Schedule fee.

(C) The figures in this column were provided by Medicare Benefits Branch, Commonwealth Department of Health and Family Services.

(D) The Australian Medical Association (AMA) isn't allowed to recommend fees, but it publishes a list of fees to its members which it considers fair and reasonable. They are reviewed on November 1 each year.

(E) Most GPs do bulk bill and so accept what the government pays as full payment for their services — you pay nothing from your own pocket.

Playing your cards right

With Christmas shopping coming up, it's a good time to check who's benefiting more from your credit card — you or the bank.

IN BRIEF

- You can save on interest payments if you choose a card that suits your spending and repayment patterns.
- Don't get carried away by the lure of 'freebies' accrued through loyalty programs — make repayment conditions your priority.

THE CONVENIENCE OF CREDIT CARDS is both their attraction and their drawback for many people. See a shirt you love? You can buy it on the spot. But if you're one day late paying your account, several dollars more could be slapped onto the shirt's price tag almost before you get a chance to dribble food down it.

It's not only a matter of signing up with the institution that offers the best interest rates. It's also useful to understand what kind of user you are.

- **Borrowing for credit:** If you have an outstanding balance on your credit card each month, a card with no interest-free days will save you money with its lower interest rates — see Table 1 for examples.
- **Borrowing for convenience:** If you're able to pay the account off in full before the interest kicks in, choose a card with the longest possible interest-free period and bonuses such as annual fee waivers (see Table 2).

How it works

For cards that offer interest-free days, there are three ways of calculating interest, based on purchase date, statement date or due date.

- **Purchase date:** If you don't pay the balance of your account in full by the due date, interest is **backdated** to the day you bought the item. Watch out: you lose the interest-free period on purchases in the next monthly cycle as well as on the initial purchase.
- **Statement date** (also known as **issue date**): This method backdates the interest to the day the monthly statement was issued if you don't pay the full balance by the due date. Purchases in the next monthly cycle are also liable to interest charges from their purchase date, so the interest-free period is substantially reduced.
- **Due date:** Interest is charged from the date your payment is due. Purchases in the subsequent monthly cycle are not affected. The benefit of the interest-free period is retained, even if you don't pay the balance off by the due date.

CHOICE TIP: The 'due date' is clearly the best of the three alternatives if you don't always pay off your full balance. Check for it when you're shopping around for the best card for your circumstances — our tables list which of the major banks charge this way.

Shopping for Christmas? It's a good time to change to a credit card whose conditions will help you borrow as cheaply as possible.

The cost of loyalty

Banks have been trying to entice new customers with loyalty schemes offering an array of extra features, such as flights or even rebates on cars.

The drawback is you may get so intent on racking up loyalty points for these services, you forget how costly the interest on late credit card payments will be. And it seems to be working — Australians owe around $8 billion this year in credit card debt.

However, if you shrewdly pay off your card before interest-free days expire, you can make the most out of these schemes by buying everything from petrol to groceries on credit. In this way you'll maximise your reward points without harming your bank balance. ❑

Watch out for...

- Institutions which offer less than the standard 55 interest-free days. And bear in mind that it isn't automatically 55 days from purchase — 55 days is the maximum interest-free period. It's made up of the 30-day statement period plus 25 days after that. So if you buy something on day one of your statement period, you'll get the 55 interest-free days; if you buy it on day 20, you'll only get 35.
- Fees charged for duplicate statements, copies of sales vouchers or replacement cards.
- Your card security — don't carry your PIN with the card, keep the institution's 24-hour emergency phone number in a safe place at all times and report a loss or theft immediately.
- Overseas finance schemes, often promoted on the Internet, which offer borrowers credit cards at very low interest rates but with high upfront processing fees. These are unregulated and you may never see the hundreds of dollars you initially pay again.

Table 1. Cards with no interest-free days

Bank / card type (in order of interest rates)	**Interest rate** (%)	**Interest charged from**	**Minimum repayment**
ANZ Low Interest MasterCard **(A)**	12.45	Purchase date	3% / $10
BENDIGO Visa No Free Days	12.90	Purchase date	5% / $10
METWAY Visa	12.95	Purchase date	5% / $20
CHALLENGE MasterCard FF	13.95	Purchase date	3% / $10
COLONIAL STATE Visa Zero Days / MasterCard	13.95	Purchase date **(C)**	3% / $5
COMMONWEALTH BankCard FF / Visa FF / MasterCard FF (L)	13.95	Purchase date	2.5% / $25
WESTPAC MasterCard FF	13.95	Purchase date	3% / $10
ST GEORGE Visa	14.00	Purchase date	5% / $5
ADELAIDE Visa	14.25	Purchase date **(C)**	3% / $5
BANK OF QUEENSLAND BankCard / Visa / MasterCard	14.25	Purchase date	3% / $5
NAB BankCard (L)	14.25	Purchase date **(C)**	3.3% / $10
BANKWEST Visa Reward / Visa Affinity	14.40	Purchase date **(C)**	2.5% / $5
ADVANCE Visa FF	14.50	Purchase date **(C)**	5% / $10
BANKSA Visa / BankCard / MasterCard	14.50	Purchase date **(C)**	5%
ANZ Visa Standby	14.95	Purchase date **(C)**	3% / $10
BANKWEST BankCard / MasterCard / Visa	15.40	Purchase date **(C)**	2.5% / $5

Table 2. Cards with an interest-free period

Bank / card type (in order of interest rates)	**Interest rate** (%)	**Annual fee** ($)	**Interest-free days***	**Interest charged from**	**Minimum repayment**
BANKWEST Visa Affinity FD / Visa Reward FD	14.40	24	40	Due date **(C)**	2.5% / $5
ADVANCE Visa FD	14.95	30	55	Due date	5% / $10
COLONIAL STATE MasterCard FD	14.95	24	55	Due date	3% / $5
TRUST Visa	14.95	25	44	Statement date	5% / $10
ST GEORGE Visa FD	15.00	35	55	Due date	5% / $5
COMMONWEALTH Visa / BankCard / MasterCard (L)	15.10	22	55	Purchase date	2.5% / $25
BANK OF QUEENSLAND Visa FD / BankCard FD / MasterCard FD	15.25	20	55	Statement date	3% / $5
NAB MasterCard / Visa FD / BankCard FD (L)	15.25	24 **(B)**	55	Purchase date **(C)**	3.3% / $10
TRUST MasterCard	15.25	18	51	Statement date	5% / $10
BANKSA Visa FD / BankCard FD / MasterCard FD	15.30	22	55	Purchase date **(C)**	5% / $0
CHALLENGE Visa / BankCard / MasterCard 55 FD / GM MasterCard / GM Visa	15.40	18	55	Purchase date	3% / $10
BANKWEST Visa FD / BankCard FD	15.40	24	40	Due date **(C)**	2.5% / $5
WESTPAC Visa / BankCard / MasterCard 55 FD	15.40	18	55	Purchase date	3% / $10
ANZ BankCard / MasterCard FD / Visa FD / Visa Affinity	15.45	22	44	Purchase date **(C)**	3% / $10
COLONIAL STATE Visa FD / BankCard FD	15.95	18	55	Due date	3% / $5
ADELAIDE Visa FD	16.25	0	55	Purchase date **(C)**	3% / $5
TRUST Bankcard	16.95	15	55	Statement date	5% / $10
BENDIGO Visa	17.15	0	44	Statement date	5% / $10
CITIBANK Visa / MasterCard FD (L)	17.95	30	55	Statement date	3% / $30

FF Fee-free.
FD Free days.
(L) Loyalty program.
(A) $22 annual fee charged.
(B) BankCard annual fee is $18.

(C) Interest paid on credit balance.
* The number in this column includes the 30 days of the statement cycle. See *Watch out for ...* for more information.
Source: Cannex. Interest rates correct as at September 4, 1997.

About the tables

■ Table 1 features cards from the major banks which don't offer interest-free days. With most of these you start paying interest from the day of purchase. These cards generally have a lower interest rate and are better for people who don't pay off the full amount each month.

■ Table 2's cards offer an interest-free period after purchases are made. If you're diligent at paying off your balance every month, these cards mean you can end up paying no interest for credit at all.

We've concentrated on standard cards from the major banks, and excluded corporate, business and gold cards. These non-standard cards charge a higher annual fee — up to $90 — but they also offer extra features such as free travel insurance.

We've also excluded building societies and credit unions from the table for space reasons — but regional or industry institutions may be worth checking for competitive interest rates.

Ways to save

■ Pay your balance in full by the due date as often as possible.
TIP: If you plan to pay off the full amount each month, see if you can set up a direct-debit arrangement from your transaction account. The automatic transfer means you don't have to remember to pay the balance off by a particular date — especially useful if you're on holiday.

■ You don't need a bank account with an institution to apply for a credit card with it. So shop around for the best rates.

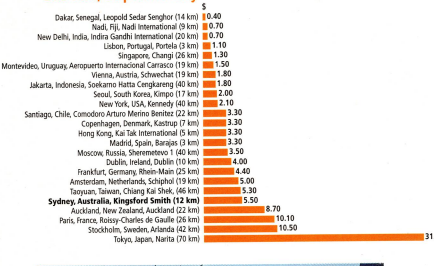
■ Check with the institution to see if it waives annual fees, which can be up to $35 on a standard card. Some issuers do this if your total purchases with the card exceeded a certain amount in the previous year, or if you have a home loan with them.

■ While you can receive additional 'free' goods and services through loyalty programs, be sensible about them. The freebies won't necessarily make up for the extra interest you'll pay if you don't pay off the full balance every month.

SHOPPING AROUND

From the airport ...

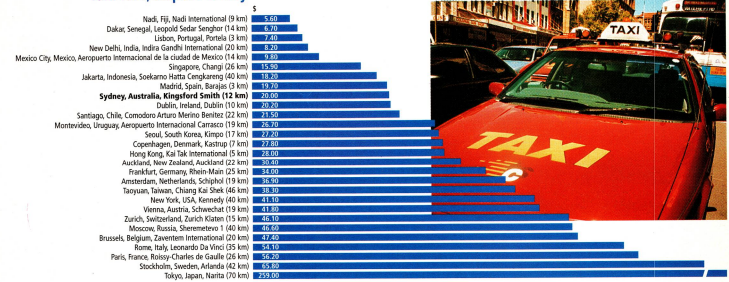
Bus fare, airport to city


$
Dakar, Senegal, Leopold Sedar Senghor (14 km) 0.40
Nadi, Fiji, Nadi International (9 km) 0.70
New Delhi, India, Indira Gandhi International (20 km) 0.70
Lisbon, Portugal, Portela (3 km) 1.10
Singapore, Changi (26 km) 1.30
Montevideo, Uruguay, Aeropuerto Internacional Carrasco (19 km) 1.50
Vienna, Austria, Schwechat (19 km) 1.80
Jakarta, Indonesia, Soekarno Hatta Cengkareng (40 km) 1.80
Seoul, South Korea, Kimpo (17 km) 2.00
New York, USA, Kennedy (40 km) 2.10
Santiago, Chile, Comodoro Arturo Merino Benitez (22 km) 3.30
Copenhagen, Denmark, Kastrup (7 km) 3.30
Hong Kong, Kai Tak International (5 km) 3.30
Madrid, Spain, Barajas (3 km) 3.30
Moscow, Russia, Sheremetevo 1 (40 km) 3.50
Dublin, Ireland, Dublin (10 km) 4.00
Frankfurt, Germany, Rhein-Main (25 km) 4.40
Amsterdam, Netherlands, Schiphol (19 km) 5.00
Taoyuan, Taiwan, Chiang Kai Shek, (46 km) 5.30
Sydney, Australia, Kingsford Smith (12 km) 5.50
Auckland, New Zealand, Auckland (22 km) 8.70
Paris, France, Roissy-Charles de Gaulle (26 km) 10.10
Stockholm, Sweden, Arlanda (42 km) 10.50
Tokyo, Japan, Narita (70 km) 31.50

Train fare, airport to city, economy class

$
Seoul, South Korea, Kimpo (17 km) 0.90
Brussels, Belgium, Zaventem International (20 km) 3.10
Vienna, Austria, Schwechat (19 km) 3.60
Amsterdam, Netherlands, Schiphol (19 km) 4.20
Frankfurt, Germany, Rhein-Main (25 km) 4.40
Zurich, Switzerland, Zurich Klaten (15 km) 5.00
Stockholm, Sweden, Arlanda (42 km) 5.80
Paris, France, Roissy-Charles de Gaulle (26 km) 10.60
Rome, Italy, Leonardo Da Vinci (35 km) 11.60

Taxi fare, airport to city


$
Nadi, Fiji, Nadi International (9 km) 5.60
Dakar, Senegal, Leopold Sedar Senghor (14 km) 6.70
Lisbon, Portugal, Portela (3 km) 7.40
New Delhi, India, Indira Gandhi International (20 km) 8.20
Mexico City, Mexico, Aeropuerto Internacional de la ciudad de Mexico (14 km) 9.80
Singapore, Changi (26 km) 15.90
Jakarta, Indonesia, Soekarno Hatta Cengkareng (40 km) 18.20
Madrid, Spain, Barajas (3 km) 19.70
Sydney, Australia, Kingsford Smith (12 km) 20.00
Dublin, Ireland, Dublin (10 km) 20.20
Santiago, Chile, Comodoro Arturo Merino Benitez (22 km) 21.50
Montevideo, Uruguay, Aeropuerto Internacional Carrasco (19 km) 25.70
Seoul, South Korea, Kimpo (17 km) 27.20
Copenhagen, Denmark, Kastrup (7 km) 27.80
Hong Kong, Kai Tak International (5 km) 28.00
Auckland, New Zealand, Auckland (22 km) 30.40
Frankfurt, Germany, Rhein-Main (25 km) 34.00
Amsterdam, Netherlands, Schiphol (19 km) 35.50
Taoyuan, Taiwan, Chiang Kai Shek (46 km) 38.30
New York, USA, Kennedy (40 km) 41.10
Vienna, Austria, Schwechat (19 km) 41.80
Zurich, Switzerland, Zurich Klaten (15 km) 46.10
Moscow, Russia, Sheremetevo 1 (40 km) 46.60
Brussels, Belgium, Zaventem International (20 km) 47.40
Rome, Italy, Leonardo Da Vinci (35 km) 54.10
Paris, France, Roissy-Charles de Gaulle (26 km) 56.20
Stockholm, Sweden, Arlanda (42 km) 65.70
Tokyo, Japan, Narita (70 km) 259.00

All prices are in Australian dollars, rounded to the nearest 10 cents, based on exchange rates quoted in the *Australian Financial Review*, September 9, 1997. Note that prices are not corrected for or modified by local income levels and are therefore most useful as a gauge of what the Australian dollar will buy in the countries named.

REPORT

If your plants are looking a bit pale and puny, a dose of a good general-purpose fertiliser could be just what they need.

Making your garden grow

The difference fertilisers can make: the geraniums on the right were fed the most nitrogen, with the amount decreasing towards the right. The plant on the far left was given no fertiliser at all.

IS THE GARDEN ALWAYS GREENER ON the other side of the fence? Are your plants not looking as good as they should? If so, they could well be lacking essential nutrients. Plants get most of these from the soil. But some soils may be naturally deficient in a particular nutrient, or the nutrients may have already been used up. So any nutrient deficiencies in your soil have to be made good by the addition of nutrients in the form of fertiliser.

Fertilisers fall into one of three main types: chemical, organic and mineral — the *Profiles*, page 19, give a rundown of each.

We wanted to bring you a test of chemical fertilisers, but discovered that it would be almost impossible to recreate all the different soil and climate conditions to accurately reflect the likely performance of each fertiliser in different parts of Australia at different times of the year. So instead we've brought you this general article on fertilisers — what they are, when they're needed, the different types available and how to decipher the label.

Do you really need fertiliser?

So how can you tell if your plants need fertiliser? Stunted growth is a good indicator, while more specific warning signs appear in the leaves:

- Wrong colouring (for instance, the general yellowing of leaves often indicates a lack of nitrogen, while blue-green and purple colours are associated with phosphorus deficiency).
- Mottled appearance.
- Dead around the edges or dying prematurely.

Experts may be able to identify which particular nutrients are missing, but for the everyday gardener, as long as your plants are getting the appropriate water and light, the application of a general-purpose fertiliser may well do the trick.

Plants need food

General-purpose fertilisers are designed to provide plants with a balanced mix of nutrients, and are based around nitrogen, phosphorus and potassium.

- **Nitrogen** is necessary for general growth and vigour, especially of leaves, and also for the production of chlorophyll — the green pigment in leaves which converts the sun's energy to sugars and other carbohydrates.
- **Phosphorus** is important for the rapid growth of seedlings, and for the development of roots, flowers, fruit and seeds. Australian soils are often deficient in phosphorus.
- **Potassium** plays a major role in protecting plants from disease and influences the quality of fruit, flowers and seeds.

Interpreting the label

Fertiliser manufacturers are required to list the product's nutrient content on the label, such as nitrogen (N), phosphorus (P) and potassium (K). For example, one general-purpose chemical fertiliser we

IN BRIEF

- **The nutrient content of fertilisers varies widely, as do manufacturers' instructions on how much to use and how often. Novices may need advice, perhaps from a local nursery.**
- **Slow-release chemical fertilisers are particularly easy to use and may be especially effective in warmer climates.**

Fertilisers for special needs

■ In soils low in potassium, flowering plants may benefit from extra potassium found in so-called 'bloom booster' formulations.

■ Phosphorus plays an important role in root growth, so formulations with a high proportion of phosphorus help young plants develop a good root system.

■ Products high in nitrogen, such as some lawn foods, are promoted for better leaf growth.

■ Some Australian native plants are very sensitive to phosphorus, and have adapted to living in low-phosphorus soils. For them, look for fertilisers which are low in phosphorus — about one part phosphorus to 10 parts nitrogen.

looked at contained 17% nitrogen, 4.4% phosphorus and 10% potassium. Manufacturers may also present these percentages as a ratio of N:P:K — for example, 17:4.4:10.

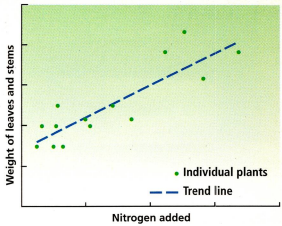
Of these three nutrients, plants generally need most nitrogen, then potassium, and only small amounts of phosphorus, and the balance of nutrients in the fertiliser above reflects this. Sulphur, calcium and magnesium are also usually included. The rest of the product is made up of non-nutrient ingredients (including, for example, a coating or water) and often some trace nutrients (such as iron).

However, if you look at the NPK ratios of different products, you'll notice a wide variation. For instance, some products may be very high or very low in one nutrient, and are marketed for specific plant needs — some examples are described in *Fertilisers for special needs*, left. But even the general-purpose fertilisers we looked at have very different nutrient ratios.

No single nutrient balance is 'ideal', and what works best for you will depend upon the type of plant, the type of soil, the soil's acidity/alkalinity, your local climate, the length of daylight and other factors. If you're a novice, talk to your local nursery about which fertiliser would be best for your plants and conditions.

Nitrogen and plant growth

Nitrogen is very important for the growth of leaves and stems, and generally speaking, the more nitrogen you apply, the greater the growth of the plant — provided there are adequate amounts of other nutrients, such as phosphorus for the root system.



In general, the more nitrogen added, the greater the plant growth (measured by weighing the amount of leaf and stem growth) — but don't overdo it or you could kill the plants.

The chart above shows the relationship between different amounts of nitrogen and plant growth we obtained under one set of experimental conditions — the plants that received the most nitrogen flourished best (top right of the chart). However, it's also important to note that too much fertiliser can damage or kill your plants. So 'the more nitrogen you apply, the greater the growth' holds true only up to a certain point.

How much?

The amount of nitrogen and other nutrients your plants get depends on a number of factors — including the manufacturers' instructions (or how you interpret them) and the growing conditions. Typical sources of variation include:

■ The nutrient concentrations in the fertiliser you use — these vary from product to product.

■ For soluble and liquid fertilisers, one factor is the final concentration of the diluted product. This depends on the manufacturers' instructions and how accurately you measure the product and the water. Then there's how much you give the plants — some instructions are vague, such as: "Apply to leaves and roots when watering", while others might specify, "Apply 1 litre per square metre".

■ Slow-release products work faster in warmer temperatures, so you tend to get a quick burst of nutrient at the beginning, but will run out faster (which means you might need to apply them more frequently in warmer months or climates).

■ How frequently you apply the fertiliser — if the instructions say to apply it every seven to 14 days, your plants will obviously get more fertiliser (twice as much, in fact) if you do it every seven days, rather than every 14.

■ How quickly the nutrients are leached from the root zone — for example, if you have sandy soil, or it rains just after you've applied the fertiliser, it may drain away before your plant has a chance to use it.

A MIX OF ORGANIC AND CHEMICAL FERTILISERS

Chemical fertilisers are a very convenient way of providing your plants with nutrients — they're fast-acting, you know which nutrients your plants are getting and in what quantities, and you don't have the hassles of finding space for a compost heap or have to put up with the smell of animal manure.

However, many gardeners prefer to use a mix of chemical and organic fertilisers. Sandra and Doug Woodhouse of Canberra, both keen gardeners, use chemical fertilisers on their roses, African violets and citrus fruit trees, which all have particular needs.

But for the rest of the garden Sandra and Doug rely on organic fertilisers — chicken manure, compost and worm castings. The latest thing, which they're keen to try, is carp fertiliser — the fish are caught in NSW rivers, where they're considered a menace, and ground up to make fish meal. Organic fertilisers don't have to be a bother — as Sandra says, "I just throw the vegie scraps onto the worm farm, so it's like recycling really."

Chemical fertilisers

These come in a variety of formulations. General-purpose fertilisers are based around nitrogen, phosphorus and potassium (NPK), sometimes with other added nutrients (for example, sulphur, magnesium and iron). They are also available with particular nutrient combinations for plants with special needs, such as lawns, roses or citrus fruits.

■ **Slow-release fertilisers** (also called controlled-release) are balls (or 'prills') of fertiliser with a coating of plastic, wax or oil-based resin. Water soaks into the ball and gradually dissolves the nutrients, which then diffuse into the soil. The rate at which the nutrients are released depends on the type of coating used, the amount of water, and the soil or air temperature. When the nutrients have been used up, the empty coating may be left behind and it's time to apply a new lot. To see if it's still working, squeeze one — if it's soft and moist, it's fine, but if it crumbles it's empty.

Slow-release products are easy to apply — they don't need any preparation. The recommended dose can be sprinkled on top of the soil or lightly mixed into the top few centimetres. They're active for several months, so it's a long time before you have to apply them again.

■ **Fertiliser granules** are loosely compacted nutrient chips. The nutrients are released over several weeks, unlike slow-release products which release over several months. Granular products are also easy to apply, and need to be reapplied after several weeks or at certain stages of the plant's growth.

■ **Soluble fertilisers** are powders which dissolve quickly and almost completely in water.

■ **Liquid fertilisers** are a liquid concentrate which you dilute before applying to plants.

Liquid and soluble products are more fiddly to apply than the slow-release and granular fertilisers: they have to be mixed with water to the correct concentration and then applied with a watering can or spray equipment. This needs to be done at least once every two weeks.

Organic fertilisers

These have been used for thousands of years. They're based on animal and plant waste, such as compost, vermicompost (worm compost), manure, and blood and bone. Organic matter should be fully composted before adding to the soil, as microbes which break down the material use up the soil's nitrogen, which would leave little for your plants.

Apart from supplying nutrients, organic fertiliser adds humus (rich, dark, decomposed plant or animal matter) to the soil, which improves soil structure and helps hold water and nutrients in it.

Mineral fertilisers

This type of fertiliser consists of crushed rock, such as rock phosphate, gypsum, limestone and dolomite, and other waste mineral materials such as wood ash and flue dust. They tend to supply one primary nutrient — such as phosphorus or potassium — and are usually used to rectify a particular shortage rather than provide a nutritionally balanced plant food. In addition to providing nutrients, certain mineral fertilisers can be used to correct a soil's pH by increasing acidity or alkalinity. ❑

Fertilisers and the environment

Careless use of fertilisers can cause a number of environmental problems — and waste your money. For example, when nutrients enter creeks, rivers and ponds, algae feed from them and multiply rapidly, sometimes causing algal blooms. The algae use up oxygen in the water, killing other waterlife, and eventually it becomes a smelly, rotting mass. Nutrient-rich run-off can also encourage the growth of weeds.

As a small-scale gardener, your contribution may seem insignificant — especially compared with the impact of fertilisers used in agriculture — but every little helps.

By following the tips below, you can minimise the amount of run-off and save on fertiliser:

■ Avoid overwatering — only water plants when you can see they need it.

■ Try using the minimum recommended dose of fertiliser, and only use more, or fertilise more often, if it doesn't seem effective — bearing in mind that too much could kill the plants.

■ Nutrient-rich water from potplants on the patio or balcony can overflow and enter waterways. Put saucers or trays underneath your pots (rest them on stones or pot 'feet' to avoid root rot). After rain or overwatering, collect the water (containing nutrients) from the trays and keep it for later waterings.

■ Add organic matter to your soil — for example, compost. Soils with high organic content have good water and nutrient retention.

Triffid trivia

Carnivorous plants, such as Venus fly traps and pitcher plants, tend to live in boggy, swampy areas where high acidity decreases the availability of nutrients for plants. So they get most of their nutrients, especially nitrogen and phosphorus, from their prey — mainly insects and other invertebrates.

It could be financially much more disastrous to be unable to work than to have your home broken into or your car stolen. But many people fail to insure their income.

Insuring your income

INCOME PROTECTION INsurance is designed to protect you and your family against the financial disaster which could happen if you were off work for a long time due to sickness or injury. When you can't work you can claim a monthly benefit (usually up to three-quarters of your usual income). If, generally after a period of being totally unable to work, you can go back only part-time or in a lesser capacity, this type of insurance can add to your reduced pay.

If you're an employee off work you may find sick pay and annual leave or WorkCover payments will step in first, but what they'll contribute is limited — WorkCover, for example, is only for work-related problems, and sick pay is generally for a set number of days. You may also find your employer has a disability scheme. For self-employed people, however, income protection insurance is the only avenue.

How you and your family would cope if you couldn't work is one of the fundamental questions you need to ask yourself when looking at your overall financial position, and it's certainly one your financial adviser should consider when preparing a financial plan.

HOW TO USE THIS REPORT

- **Find out what matters in an income protection policy (pages 21 to 23).**
- **Check out the cheapest recommended policies for different people's needs in the Buying Guide (pages 26 to 27).**
- **If you don't fit into any of the scenarios in the Buying Guide, see the full list of recommended policies and their scores for 'extras' (page 25), and use this to get quotes.**

But I'm covered!

You may think you've already got income protection insurance. If so, it's worth checking out what you've got — whether it gives you the cover you need, and whether it's offering you good value. Here are some things to consider:

- **Is it really income protection insurance?** Check that you haven't got total and permanent disability (TPD) or trauma insurance instead. TPD policies will pay a lump sum, but only if you really are *totally and permanently* disabled. Trauma insurance will make payments to you if you're diagnosed with one of the listed serious illnesses — it won't cover as many situations as income protection insurance, and won't replace your income, though could clearly be useful if you qualify.
- **Is it guaranteed renewable?** Some policies can be cancelled by the insurer. We don't recommend this type.
- **Is it good value?** Income protection policies are renewed yearly, so you should shop around every so often to check that yours is still offering good value. If you've got a clean bill of health, there's little to stop you changing from one insurer to another. Make sure you're accepted by the new insurer before cancelling the old policy.
- **Do you have the right amount of insurance?** You could have too much or, more likely, too little cover for your needs. Older policies may not have inflation increases built-in and so, particularly if it's been a while since you took out a policy, check the benefit levels.

Policy checklist

There's no 'standard' income protection policy, and each policy has its own particular range of quirks, conditions and benefits. Here's a guide to the questions to ask, with details of what's in this type of policy and information about the things you should watch out for — both good and bad.

What counts as disability?

You might have thought that, as the most important part of an income protection policy is paying you an income when you can't work, the definition of being unable to work would be quite clear. In fact there is a range of **definitions of disability** — and the nuances between them can be very fine. However, they fall into two basic categories. You count as totally disabled if:

- You're unable to perform your normal occupation, or
- You can't perform any occupation for which you are suited by education, training and experience.

Some policies will offer the first definition for two years of cover, say, and then the second. The difference between the two definitions is very important, in particular because the insurance only pays if you *can't* work — not if you're just unable to find suitable employment.

However, these are just the two basic differences; you need to look at the full definitions, too. For example, some may require that you can't perform any part of your job (a potentially ambiguous definition — does it mean 'any part at all' or 'even one part'?). Others specify an inability to perform an income-producing activity (this could be debatable if you can't drive, for example, but have to get from one place to another to perform your tasks); for others you may need to be unable to perform at least one *important* task of your job. We recommend you ask careful questions, and get the answers in writing in case there are problems later on.

The other fundamental definition in policies is the one for **partial disability**, which generally mirrors the total disability definition. This covers when you can claim if you can't earn as much as you did before your illness or accident. Most policies require that you're totally disabled for at least 14 days before being eligible for the partial disability benefit. Some policies may place a limit on the time you can claim partial disability benefits.

These definitions form part of the insurance contract, and you should look for a policy which offers the widest coverage you can afford.

For our **recommended** policies (page 25) we used an assessment of the definitions in terms of their value to the insured person. The recommended policies have the most generous definitions, and for partial disability we've only included policies which don't limit the time you can claim for. All policies have a range of exclusions: war, normal pregnancy and self-inflicted injury are standard. Some have a wider range of exclusions.

Are you sure you can renew the policy?

You should make sure the policy is **guaranteed renewable**. This means the insurer can't cancel it if you make a claim and then go back to work, say. Most policies are guaranteed renewable, but you may find one that isn't is all that's available from some companies when dealing with particular jobs.

Only policies that are guaranteed renewable are included in our **recommended** list.

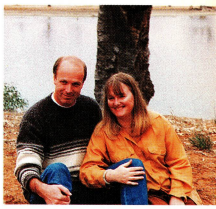
What will it cost?

The premium you'll pay depends on a range of factors. Some are about the level of cover you have (the benefit and waiting periods — see page 22), and so within your control; others, such as your age, sex, whether you smoke, pre-existing conditions and your occupation, are factors on which the

An added bonus

The premiums you pay are generally tax-deductible. In effect, if you pay income tax at the top rate, the tax office 'pays' just under half the cost of the insurance.

INSURANCE AT WORK



Clytie from South Australia was a TAFE lecturer at the Murray Institute until she was hit with chronic fatigue syndrome four years ago. Luckily, because she has three dependent children, she had taken out income protection insurance about two years earlier.

She is still seriously ill, and some days finds even talking or sitting up is too exhausting. Currently she is mostly bedridden. But thankfully, although her income is reduced and she has considerable medical costs to pay, the insurance she took out is meeting her needs.

And the problems? Clytie was initially hospitalised for four months and too ill to take in the letter from her insurer telling her that the benefits were paid without first deducting tax. Because of this she faced considerable hardship — trying to catch up with the year's missed tax, and the provisional tax due for the next year too.

Clytie sends a monthly progress form to the insurers, completed by both her and her doctor, and they arrange six-monthly specialist assessments. She says the experts have mostly been pleasant and even supportive, though one (who was a psychiatrist) was aggressive and invasive. Clytie says she still finds this treatment hard to forget.

Another issue Clytie raises is the problem of dealing with a large institution when you're unsure of your rights or how to assert them. Some months the cheque arrives late, and she finds herself wondering what she would do if it didn't come.

We're delighted that the prognosis for Clytie is one of continuing recovery, though it is sadly going to be slow. Clearly there are some things which could make her life easier, and even though insurers have to keep their eyes open for fraud, it's important they realise they're dealing with sick people and have a level of sensitivity which might be beyond that required for some other types of claim.

Standard definitions needed

We're concerned that income protection policies offer a confusing range of definitions of disability, because it makes them hard to compare. For example, the difference between a policy which will pay out if you're "unable to perform an important income-producing duty" and one which requires you to be "unable to perform at least one income-producing duty" is a fine line, and one which can cause disputes later on.

While there needs to be competition, both on price and in the terms of a policy, we think this can happen within a framework which makes comparison possible. We'd like to see a standard definition offering wide coverage, which insurers could take as a basis, adding to or subtracting from the cover, and explaining how the definition of disability they offer differs from the 'standard' definition.

company will base its decisions that you have no control over.

For example, if you're a woman your premiums are often around 40% to 50% higher than those for male colleagues because, statistically, women make more claims; if you're a doctor or accountant you'll pay much lower premiums than a baker, say, for the same amount of cover.

For our **Buying Guide** on pages 26 and 27 we've split work into three groups:

■ **Professional.** For example, accountants, doctors, dentists or solicitors. It may also apply to some senior management roles. We used quotes for doctors.

■ **White collar.** People in this group vary widely: physiotherapists, chiropractors, schoolteachers, those with clerical and administrative work such as managers, secretaries, clerks, salespeople. We used quotes for administration managers. Typically costs are around 20 to 25% higher than those for professionals.

■ **Blue collar.** Jobs requiring some manual work. We've used quotes for a butcher and a nurse. These are both skilled occupations; jobs with less training can be harder or even impossible to insure, and will often have harsher definitions of disability. Typically costs are around two and a half times those for professionals.

If you don't fit neatly into one of these categories, or if you've got a job which might be considered high-risk by some insurers, it would be well worth looking quite widely for insurance. Insurers will usually decide about their approach to a particular risk based on their claims experience. If they've had a poor experience with motor mechanics, say, they're likely to 'load' (put up) the rates they're prepared to offer motor mechanics.

Even if you change to a higher-risk job, a guaranteed-renewable policy will be renewed on the existing terms. If you move to a lower-risk job, though, it's worth telling the insurer; you may qualify for a lower premium rate.

■ Benefit periods

The benefit period is the length of time a policy will pay a claim. You're likely to have a choice, and commonly you'll find two- or five-year benefit periods, or policies which will pay out if you're disabled until you reach age 55, 60 or 65, and even policies which will pay out right until you die (though these are likely only to be for selected groups, and to scale down the benefit if you're disabled late in your working life).

The longer the benefit period, the higher the premiums (see Table 1), but think carefully before you choose to limit the benefit period. Although you could save a lot by having the potential payout limited to two or five years, we think you should be looking for a policy which will compensate you for as long as you're off work — so would continue to pay a benefit until you're 65 if you remain disabled for that length of time.

Table 1: Monthly costs with different benefit periods

	Benefit period		
	2 years ($)	5 years ($)	To age 65 ($)
Age 30	27	30	36
Age 40	34	40	53
Age 50	60	77	104

Here we show how the monthly cost of insurance varies depending on the benefit period (based on a $2500 monthly benefit for a non-smoking male white-collar worker and a 30-day waiting period). Average rates correct June 1997. Source: Rice Kachor Research.

■ Waiting periods

The waiting period is the time that must pass after you stop working before the benefit becomes due. Waiting periods are generally available from 14 days to one year. As you can see from Table 2, the longer the waiting period, the lower your premium.

Before choosing a waiting period, think about how quickly your other resources may run out if you're unable to work due to illness or accident. If you're employed you may have sick pay or annual leave to fall back on, and so be able to choose a longer waiting period.

Table 2: Monthly costs with different waiting periods

	Waiting period		
	14 days ($)	30 days ($)	90 days ($)
Age 30	62	36	26
Age 40	86	53	36
Age 50	159	104	75

Here we show how the monthly cost of insurance varies depending on the waiting period (based on $2500 monthly benefit to age 65 for a non-smoking male white-collar worker). Average rates correct June 1997. Source: Rice Kachor Research.

Although a few policies offer the option of paying level premium rates throughout their life, for most they're 'stepped'. This means they increase as you get older. However, some policies offer a **no-**

claim bonus scheme if you don't make a claim, which can help to offset the increases.

How much can you claim?

Most policies will base the benefits you can claim on 75% of your income at the time you take out the policy, though you should check what can be counted as income — for example, whether it can include the value of any fringe benefits. The policy benefits can generally be increased each year by the increase in the CPI (Consumer Price Index), up to a maximum level.

The increases won't necessarily keep pace with your increase in income, so some policies offer the option to increase the benefit level beyond the CPI. On the other hand, for some people even just applying CPI increases could lead to your being over-insured. But watch out before declining an increase; there may be conditions attached — for example, you may lose the chance forever if you decline two increases in a row.

All our **recommended** policies offer benefits which can be increased each year. They also offer **increasing claim benefit** (the benefit increases each year while it's being paid).

Although benefits are sometimes limited to 75% of your income before you make the claim, most have a **guaranteed benefit level** that's independent of what you're earning at that time. Only this type is included in our **recommended** list.

You should also look at amounts which will be 'offset' against the benefits, such as WorkCover compensation and sick pay — you may well find payments from your employer or other insurance payments reduce your benefit, and in some cases can interfere with the guaranteed income level. Policies in the **recommended** list only offset amounts paid, rather than those theoretically 'payable'.

What happens if you're unemployed?

An important point to look at with these policies is what happens if you're unemployed. Most insurers are of the opinion that either the policy is more likely to be abused if you're not working, or that you're more likely to become ill or have an accident, and so will terminate the policy after a period of time — whether or not you've continued to pay the premiums or you thought it was guaranteed renewable.

The period before you're struck off can be as little as three months (these policies aren't recommended); generally 12 months is the maximum time, though some may let you keep the policy going for longer. You may be able to suspend the policy while you're unemployed, which means you don't have to pay the premium, but you don't get cover either.

The **recommended** policies offer cover for at least 12 months if you're unemployed and don't change the definition used for disability during that time.

Does the policy cover HIV/AIDS?

Most policies cover HIV and AIDS-related illnesses. With some it's an option, and with most you'll need to have an HIV test for higher benefit levels. For many policies there's a comprehensive health and lifestyle questionnaire to complete. The **recommended** policies include cover for HIV/AIDS, although this may be an added option.

What other benefits are included in the policy?

Apart from paying you an income when you can't work, policies offer a range of other benefits. The most useful of these are for nursing and rehabilitation. The first of these will make a payment if you're confined to bed and need to pay for a nurse or home care. The second, which can pay extra benefits while you're participating in a rehabilitation program, is offered as an incentive to get policyholders back to work as quickly as possible.

Some policies have a family benefit, which is similar to a nursing benefit and would compensate a family member who couldn't work because they were looking after you.

Other benefits may include death benefit, one-off payments for serious injuries, and emergency transport and accommodation costs if you're injured or become ill away from home. We think that although undoubtedly there are occasions when these benefits would be useful, you should only consider these add-ons when you're satisfied with the core parts of the policy.

We've scored our **recommended** policies on the basis of which of these extra benefits they cover.

Not plain sailing

Perhaps not surprisingly, the majority of letters we got in response to our request for information about income protection insurance told us about problems. These included:

- **A claim turned down because of a failure to disclose a pre-existing condition, even though at the time of buying, the salesman assured the policyholder it was OK.**
- **Insurers which don't respond to letters or claims.**
- **Not being covered after being unemployed.**
- **Problems getting cover with a pre-existing condition.**

Thank you to all subscribers who wrote to us about your experiences. They were a great help in our research.

If you have problems with a policy there's a free dispute resolution scheme run by the industry. The Life Insurance Complaints Service has an independent panel which can look at the case and make awards up to $250,000.

Worryingly, this is dealing with an increasing number of complaints about income protection insurance — especially about claims denied. CHOICE thinks these policies need to be better explained to consumers by companies and brokers or agents.

For more details of the scheme, phone 1800 335 405 (9629 7050 in Melbourne).

Pre-existing conditions

We asked insurers about their approach to insuring people with certain pre-existing conditions. Not surprisingly, the responses varied. Very often what the company would do would depend very much on particular circumstances — not just on how serious the complaint was, but also the person's age and job. But typically you might find the following:

- **Mild asthma** — the insurer may demand a longer minimum waiting period or charge more for the cover.
- **High blood pressure and slight kidney damage** — as above, or limit the term of the policy, so it ran to age 55 rather than 65, say. Some would decline.
- **Unidentified lower back pain** — most commonly insurers would exclude claims resulting from lower back pain, though for people with sedentary jobs there may be no effect on the cover.
- **Osteo-arthritis in several joints** — again, the policy might exclude cover for this, or companies may well decline cover at all.
- **Diabetes** — cover would usually depend on the condition being well controlled, and the premium is likely to be higher and benefits limited.

If you've got a pre-existing condition it's important to make it clear to an insurer. We think it best to get any assurances made by an insurer in writing before you take out the cover.

But ... but ... how can they get away with it?

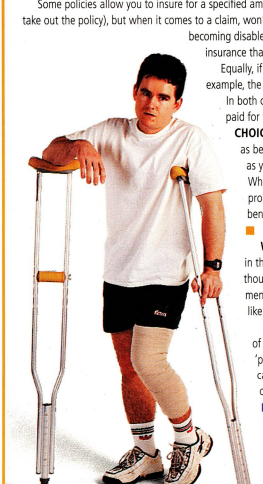
Income protection insurance isn't as simple as it ought to be, and there are some aspects which may surprise — or even outrage — you:

- **You may not get the benefits you've paid for, even if your claim is accepted.**

Some policies allow you to insure for a specified amount (generally up to 75% of the income you're earning when you take out the policy), but when it comes to a claim, won't pay more than 75% of the income you were earning just before becoming disabled. If this is lower than the amount insured, you'll have paid for more insurance than the company will let you claim.

Equally, if you're getting WorkCover or sick pay from your employer, for example, the amounts are usually offset against your benefit.

In both cases, the insurer probably won't pay back the extra premiums you've paid for the higher benefits.



CHOICE says: In the first example, insurance companies tend to view you as being overinsured and, if you're getting as much money while disabled as you did when working, say you have little incentive to return to work. While this opinion may be defensible, we'd like to see the appropriate proportion of the premiums you've paid refunded if the full insured benefit isn't paid.

- **Some people pay much more than others.**

Women pay around one and a half times the premiums paid by men in the same jobs. We're told this is because women claim more often, though the number of women with insurance is much lower than for men, and so there may be an element of selection — those who are likely to claim are the ones who take out insurance.

Companies also set premium costs by categorising the **occupation** of the insured person, and generally have the lowest premiums for 'professionals'. They say their different premiums for different job categories are based on claims statistics and reflect the level of risk offered by different occupations.

- **CHOICE says:** While it's easy to see a difference in levels of physical risk between a solicitor and a factory worker, say, it's hard to see from a risk point of view why a sedentary solicitor is generally classified as a 'professional', while a sedentary office manager is classified as 'white collar' and so ends up paying more. All you can really do if you don't agree with a company's classification of your occupation is shop around — not a very satisfactory situation.

Recommended

Here we show all the policies which meet the criteria in our *Policy checklist* (pages 21 to 23), and have the most generous definitions of disability.

In the **Buying Guide** overleaf we tell you which of these policies are currently cheapest (over five years) for particular types of worker.

1 Policy score

While all these policies are recommended, we scored them *additionally* for a range of other features. These include: the range of exclusions, benefits for rehabilitation, bed confinement, family care, death and trauma, and for how they deal with other income which could offset benefits. This will give you a picture of the amount of extras a policy has on offer; we don't have the space to list which specific extras each policy has. If any of the extras interest you in particular, ask about them when you phone for a quote.

As noted in the article, some policies may exclude manual workers (or alter the definition of disability).

This score was based on data provided by Rice Kachor Research; the ranking, however, was set by CHOICE.

2 Cost rating

This rating for cost is based on the premium quotes we got for the 12 scenarios in our **Buying Guide** (see next page). They're for benefits to age 65, with a 30-day waiting period. The higher the rating, the lower the average premium cost.

Table 3. These policies meet our criteria to be recommended – the policy score reflects additional benefits (see page 23)

Policy (in policy score order)	1 Policy score (%)	2 Cost rating (%)*	Contact**
LEGAL & GENERAL Income care plus	87	30	Agent/financial adviser
COLONIAL Income cover plus	84	50	1800 631 600
COUNT Income cover plus	84	55	Count financial adviser
TYNDALL Income reserve	82	27 (E)	1800 064 044
PRUDENTIAL Executive	73	51	13 17 78
LUMLEY Platinum	72 (C)	62	(02) 9248 1255
NORWICH Gold	67 (C)	37	Agent/financial adviser
MERCANTILE MUTUAL Income protection plus	66 (C)	54	Agent/financial adviser
ASSOCIATED PLANNERS Strategic	65 (D)	39	(02) 9869 0455
FAI Loss of income (A)	63 (D)	Not scored	1800 252 082
TYNDALL Income protection cover	63	56 (E)	1800 064 044
LUMLEY Gold	62 (C)	60	(02) 9248 1255
ANZ Premier (5%) (B)	59 (C)	Not scored	1800 021 052
AUSTRALIAN CASUALTY & LIFE Premier (5%) (B)	59 (C)	26 (F)	1300 366 066
COUNT Executive (5%) (B)	59 (C)	48	Count financial adviser
LONSDALE Income protection	59 (C)	59	(03) 9621 1055
PRUDENTIAL Value	59	67	13 17 78
MLC Income protection extra	56 (C)	Not scored	13 34 42
ANZ Essential plus	54 (C)	Not scored	1800 021 052
AUSTRALIAN CASUALTY & LIFE Essential plus	54 (C)	28 (F)	1300 366 066
COUNT Standard plus	54 (C)	46	Count financial adviser
COLONIAL Income cover	50	75	1800 631 600
COUNT Income cover	50	78	Count financial adviser
ROYAL & SUN ALLIANCE Income protection	50	61	Branch
MERCANTILE MUTUAL Income protection	47 (C)	74	Agent/financial adviser
NORWICH Excell	45 (C)	55	Agent/financial adviser
ANZ Essential	42 (C)	Not scored	1800 021 052
AUSTRALIAN CASUALTY & LIFE Essential	42 (C)	43 (F)	1300 366 066
COUNT Standard	42 (C)	59	Count financial adviser
MLC Income protection	32 (C)	62	13 34 42

* If there is no score for the premium, the company didn't give us premium rates, and these policies don't appear in the **Buying Guide** overleaf.

** Where provided, we have shown a single phone number for you to contact. Most are also available through agents, financial planners and brokers.

(A) Policy due to be revised slightly.

(B) The 5% in brackets refers to annual benefit increases during a claim; you can choose 7% instead but the premium will be higher.

(C) If there is other income to be offset against your benefit, the company may base payments on 75% of your pre-disability income rather than the 'guaranteed benefit' — see pages 23 and 24.

(D) If you have worked less than 30 hours per week prior to disability, the company may base payments on 75% of your pre-disability income rather than the 'guaranteed benefit'.

(E) The policy has a minimum 3% annual increase in benefit levels (2% used for other calculations).

(F) Lower premiums are available through many associations; premium scores are then: Essential 53%, Essential plus 40% and Premier 39%.

Other policies we looked at

These are the policies we looked at which didn't make it into our **Buying Guide** because they didn't meet the criteria in our policy checklist.

- **AMP** Income continuation (Advanced and Standard).
- **FAI** Disability income and Super protector.
- **GIO** Income protection.
- **HCF** Income protection.
- **LEGAL & GENERAL** Income care.
- **LUMLEY** Silver.
- **NATIONAL AUSTRALIA** Income protection and Protection plus.
- **NATIONAL MUTUAL** Professional, Vital and Standard income protection.
- **RACV** Disability income.
- **SUNCORP** Comprehensive and Standard.
- **TOWER LIFE** Income security and Income security classic.
- **TYNDALL** Lifepack income protection.

Other policies not included:

- **AIA** Golden income, Golden income plus (new policy currently being prepared).
- **ASGARD** Income protection (did not respond in time to our questionnaire).
- **RIVKIN DIRECT** Income protection (Citicorp Life — which issues the policy — did not respond in time to our questionnaire).
- **WESTPAC** (policy being revised).
- **ZURICH** Income replacement (did not respond in time to our questionnaire).

Buying Guide

We analysed the income protection policies and found some remarkable differences in both price and cover. In this **Buying Guide** we recommend only policies which met strict criteria (see our *Policy checklist* on pages 21 to 23) — Table 3 on page 25 gives the complete list of **recommended** policies which met our requirements. All the premiums we collected are for a benefit period to age 65, with a 30-day waiting period.

The **Buying Guide** lists the most affordable of the policies for each of the 12 groups of people we've covered, at ages 29, 39 and 49 (insurance companies usually use age next birthday, and so were asked to quote for ages 30, 40 and 50).

Decide which scenario is closest to you, and then ring for quotes for your exact circumstances for the policies listed for that scenario.

We show the current premium rate per month for NSW (stamp duty varies between states so premiums vary nationally, and if you pay annually you'll generally get a discount). We also show the total premiums payable over five years, allowing for any no-claim discount and increased premiums due to age, at current rates.

Our **Buying Guide** is based on the total five-year premium figure. (Some companies couldn't give us five-year costs based on the criteria we chose and therefore couldn't be considered for the **Buying Guide** — the table on page 25 has the details).

Companies can, and do, change the rates they charge, and although a policy is guaranteed renewable, there isn't an 'affordable' guarantee, too.

Age 29	Age 39	Age 49
Case 1: Male non-smoking doctor ('professional'). Initial monthly benefit $4000		
COUNT Income cover	**COUNT** Income cover	**COUNT** Income cover
Cost / month: $31.27	Cost / month: $50.31	Cost / month: $99.22
Cost over 5 years: $2008	Cost over 5 years: $3542	Cost over 5 years: $7127
COLONIAL Income cover	**MLC** Income protection	**COLONIAL** Income cover
Cost / month: $34.09	Cost / month: $51.10	Cost / month: $108.94
Cost over 5 years: $2129	Cost over 5 years: $3677	Cost over 5 years: $7566
PRUDENTIAL Value cover	**COLONIAL** Income cover	**MLC** Income protection
Cost / month: $36.46	Cost / month: $55.07	Cost / month: $104.20
Cost over 5 years: $2262	Cost over 5 years: $3756	Cost over 5 years: $7955

Case 2: Male smoking doctor ('professional'). Initial monthly benefit $4000		
COUNT Income cover	**MLC** Income protection	**COUNT** Income cover
Cost / month: $36.59	Cost / month: $58.01	Cost / month: $118.14
Cost over 5 years: $2354	Cost over 5 years: $4183	Cost over 5 years: $8496
COLONIAL Income cover	**COUNT** Income cover	**COLONIAL** Income cover
Cost / month: $39.96	Cost / month: $59.45	Cost / month: $129.78
Cost over 5 years: $2498	Cost over 5 years: $4194	Cost over 5 years: $9023
MLC Income protection	**MERCANTILE MUTUAL** Income protection	**MLC** Income protection
Cost / month: $39.41	Cost / month: $61.52	Cost / month: $119.08
Cost over 5 years: $2544	Cost over 5 years: $4349	Cost over 5 years: $9104

Age 29	Age 39	Age 49
Case 5: Male non-smoking administration manager ('white collar'). Initial monthly benefit $2500		
COLONIAL Income cover	**COUNT** Income cover	**COUNT** Income cover
Cost / month: $27.91	Cost / month: $43.82	Cost / month: $82.43
Cost over 5 years: $1741	Cost over 5 years: $3009	Cost over 5 years: $5840
COUNT Income cover	**COLONIAL** Income cover	**COLONIAL** Income cover
Cost / month: $28.78	Cost / month: $44.47	Cost / month: $87.00
Cost over 5 years: $1796	Cost over 5 years: $3025	Cost over 5 years: $6033
MERCANTILE MUTUAL Income protection	**MERCANTILE MUTUAL** Income protection	**MERCANTILE MUTUAL** Income protection
Cost / month: $28.37	Cost / month: $45.02	Cost / month: $90.04
Cost over 5 years: $1898	Cost over 5 years: $3168	Cost over 5 years: $6689

Case 6: Male smoking administration manager ('white collar'). Initial monthly benefit $2500		
COLONIAL Income cover	**COUNT** Income cover	**COUNT** Income cover
Cost / month: $32.54	Cost / month: $45.48	Cost / month: $97.38
Cost over 5 years: $2032	Cost over 5 years: $3458	Cost over 5 years: $6922
MERCANTILE MUTUAL Income protection	**MERCANTILE MUTUAL** Income protection	**COLONIAL** Income cover
Cost / month: $30.75	Cost / month: $49.07	Cost / month: $103.45
Cost over 5 years: $2060	Cost over 5 years: $3458	Cost over 5 years: $7183
COUNT Income cover	**COLONIAL** Income cover	**MERCANTILE MUTUAL** Income protection
Cost / month: $32.98	Cost / month: $52.42	Cost / month: $98.59
Cost over 5 years: $2072	Cost over 5 years: $3573	Cost over 5 years: $7330

Age 29	Age 39	Age 49
Case 3: Female non-smoking doctor ('professional'). Initial monthly benefit $4000		
COUNT Income cover	**COUNT** Income cover	**MERCANTILE MUTUAL** Income protection
Cost / month: $45.88	Cost / month: $74.75	Cost / month: $144.98
Cost over 5 years: $2970	Cost over 5 years: $5360	Cost over 5 years: $8872
COLONIAL Income cover	**MLC** Income protection	**LONSDALE** Income protection
Cost / month: $50.18	Cost / month: $74.15	Cost / month: $154.32
Cost over 5 years: $3154	Cost over 5 years: $5407	Cost over 5 years: $9449
MLC Income protection	**COLONIAL** Income cover	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $49.89	Cost / month: $81.99	Cost / month: $170.12
Cost over 5 years: $3227	Cost over 5 years: $5669	Cost over 5 years: $10,495

Case 4: Female smoking doctor ('professional'). Initial monthly benefit $4000		
COUNT Income cover	**MLC** Income protection	**MERCANTILE MUTUAL** Income protection
Cost / month: $54.12	Cost / month: $84.52	Cost / month: $159.02
Cost over 5 years: $3509	Cost over 5 years: $6125	Cost over 5 years: $9732
MLC Income protection	**COUNT** Income cover	**LONSDALE** Income protection
Cost / month: $56.62	Cost / month: $88.80	Cost / month: $169.30
Cost over 5 years: $3666	Cost over 5 years: $6355	Cost over 5 years: $10,366
COLONIAL Income cover	**COLONIAL** Income cover	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $59.27	Cost / month: $97.44	Cost / month: $186.67
Cost over 5 years: $3729	Cost over 5 years: $6746	Cost over 5 years: $11,517

Age 29	Age 39	Age 49
Case 7: Female non-smoking administration manager ('white collar'). Initial monthly benefit $2500		
COLONIAL Income cover	**COUNT** Income cover	**MERCANTILE MUTUAL** Income protection
Cost / month: $40.61	Cost / month: $63.12	Cost / month: $114.27
Cost over 5 years: $2551	Cost over 5 years: $4430	Cost over 5 years: $6992
COUNT Income cover	**COLONIAL** Income cover	**LONSDALE** Income protection
Cost / month: $40.32	Cost / month: $65.72	Cost / month: $121.57
Cost over 5 years: $2558	Cost over 5 years: $4535	Cost over 5 years: $7443
PRUDENTIAL Value cover	**PRUDENTIAL** Value cover	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $44.20	Cost / month: $74.99	Cost / month: $133.91
Cost over 5 years: $2743	Cost over 5 years: $5006	Cost over 5 years: $8259

Case 8: Female smoking administration manager ('white collar'). Initial monthly benefit $2500		
COUNT Income cover	**COUNT** Income cover	**MERCANTILE MUTUAL** Income protection
Cost / month: $46.62	Cost / month: $74.20	Cost / month: $125.24
Cost over 5 years: $2983	Cost over 5 years: $5231	Cost over 5 years: $7663
COLONIAL Income cover	**COLONIAL** Income cover	**LONSDALE** Income protection
Cost / month: $47.79	Cost / month: $77.92	Cost / month: $133.27
Cost over 5 years: $3003	Cost over 5 years: $5385	Cost over 5 years: $8159
PRUDENTIAL Value cover	**PRUDENTIAL** Value cover	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $51.11	Cost / month: $87.33	Cost / month: $146.84
Cost over 5 years: $3172	Cost over 5 years: $5843	Cost over 5 years: $9057

Age 29	Age 39	Age 49
Case 9: Male non-smoking butcher (skilled 'blue collar'). Initial monthly benefit $2500		
MERCANTILE MUTUAL Income protection	**MERCANTILE MUTUAL** Income protection	**MERCANTILE MUTUAL** Income protection
Cost / month: $42.64	Cost / month: $69.28	Cost / month: $141.31
Cost over 5 years: $2871	Cost over 5 years: $4904	Cost over 5 years: $10,536
COUNT Income cover	**LUMLEY** Gold	**LUMLEY** Gold
Cost / month: $51.58	Cost / month: $83.41	Cost / month: $160.06
Cost over 5 years: $3279	Cost over 5 years: $5354	Cost over 5 years: $10,802
COLONIAL Income cover	**TYNDALL** Income protection cover	**TYNDALL** Income protection cover
Cost / month: $53.02	Cost / month: $76.60	Cost / month: $143.71
Cost over 5 years: $3319	Cost over 5 years: $5484	Cost over 5 years: $11,580

Case 10: Male smoking butcher (skilled 'blue collar'). Initial monthly benefit $2500		
MERCANTILE MUTUAL Income protection	**MERCANTILE MUTUAL** Income protection	**MERCANTILE MUTUAL** Income protection
Cost / month: $46.44	Cost / month: $75.75	Cost / month: $154.98
Cost over 5 years: $3131	Cost over 5 years: $5367	Cost over 5 years: $11,562
COUNT Income cover	**LONSDALE** Income protection	**LONSDALE** Income protection
Cost / month: $60.34	Cost / month: $90.69	Cost / month: $184.88
Cost over 5 years: $3849	Cost over 5 years: $6397	Cost over 5 years: $13,265
COLONIAL Income cover	**MERCANTILE MUTUAL** Income protection plus	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $62.68	Cost / month: $92.44	Cost / month: $183.08
Cost over 5 years: $3926	Cost over 5 years: $6605	Cost over 5 years: $13,572

Age 29	Age 39	Age 49
Case 11: Female non-smoking nurse (skilled 'blue collar'). Initial monthly benefit $2500		
PRUDENTIAL Value cover	**NORWICH** Excell	**MERCANTILE MUTUAL** Income protection
Cost / month: $69.30	Cost / month: $109.16	Cost / month: $180.08
Cost over 5 years: $4357	Cost over 5 years: $7703	Cost over 5 years: $11,022
COUNT Income cover	**PRUDENTIAL** Value cover	**LONSDALE** Income protection
Cost / month: $75.61	Cost / month: $118.50	Cost / month: $191.76
Cost over 5 years: $4862	Cost over 5 years: $7749	Cost over 5 years: $11,743
COLONIAL Income cover	**TYNDALL** Income protection cover	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $79.49	Cost / month: $111.87	Cost / month: $211.50
Cost over 5 years: $5006	Cost over 5 years: $8040	Cost over 5 years: $13,049

Case 12: Female smoking nurse (skilled 'blue collar'). Initial monthly benefit $2500		
PRUDENTIAL Value cover	**NORWICH** Excell	**MERCANTILE MUTUAL** Income protection
Cost / month: $80.64	Cost / month: $124.45	Cost / month: $197.63
Cost over 5 years: $5070	Cost over 5 years: $8791	Cost over 5 years: $12,096
COUNT Income cover	**PRUDENTIAL** Value cover	**LONSDALE** Income protection
Cost / month: $89.16	Cost / month: $138.52	Cost / month: $210.47
Cost over 5 years: $5748	Cost over 5 years: $9061	Cost over 5 years: $12,890
COLONIAL Income protection	**NORWICH** Gold	**MERCANTILE MUTUAL** Income protection plus
Cost / month: $94.44	Cost / month: $145.15	Cost / month: $232.19
Cost over 5 years: $5950	Cost over 5 years: $10,262	Cost over 5 years: $14,327

As with all cooling and heating appliances, matching the unit's capacity to the size of your room is essential. The air conditioners in this test are all suitable for open-plan living areas.

Beat the heat and kill the cold

IN THIS ARTICLE

- How to keep cool without an air conditioner (page 32).
- How to estimate the cooling capacity you need (pages 30 to 31).
- What to look for in an air conditioner and how to run it efficiently (page 29).
- Test results for six remote-controlled split-system reverse-cycle models (pages 32 to 33).

DID YOU SIT IN YOUR LIVING ROOM completely sapped by the heat last summer? And did you toss and turn through sleepless, too hot nights? If so, you may be thinking of beating the heat with an air conditioner from now on.

However, before you spend between $2000 and $3000 for a model such as those we've tested, check out *How to keep you and your home cool* on page 32 for other possible (and often cheaper) ways of achieving similar results.

If all the tricks to keep the heat out of your home in the first place fail, an air conditioner is the only appliance that really cools a room effectively.

Reverse-cycle: cooling and heating

In a similar way to fridges, reverse-cycle air conditioners use electricity to 'pump' heat from one place (say, the hot inside of your home) to another (such as the outside of your home) — that's why they're also called heat pumps.

Reverse-cycle models can also heat your home because even cold winter air contains usable 'heat' that can be pumped inside. They produce a higher heat output than their electricity input — which gives them an 'efficiency' of up to 250%.

That's why this method of heating is much cheaper and produces less of the greenhouse gas carbon dioxide (CO_2) than other types of electric heater such as radiators, column or fan heaters. (See CHOICE, May 1997, page 14, for a comparison of the cost and CO_2 production of various heating methods.)

However, their heating efficiency gets lower in cold conditions, when they can ice up on the outside (see *What to look for*, right).

There are different types of reverse-cycle air conditioner — wall or window units for one room; split systems where the working part (compressor) is installed outside the house and the air outlet inside; and ducted systems to cool (or heat) various zones in the house with an outside compressor and several inside ducts.

Size matters

We tested six remote-controlled reverse-cycle split systems with around 6.5 kW cooling capacity — enough to cool (or heat) an average-sized open-plan living area.

Matching the capacity of your air conditioner to the size of the room you want to cool (or heat) is essential if you want to get optimal performance. *How to estimate your cooling needs* on pages 30 to 31 shows you how to do it. (For calculating your heating needs, see CHOICE, May 1997.)

What makes a good air conditioner?

■ **Cooling efficiency** is the amount of cooling output the models achieve per kilowatt (kW) of energy they use. The higher the output for the same amount of power used, the better (and more cheaply) the model will cool your room.

■ **Heating efficiency** is the equivalent output for heating your room.

■ Models with a higher **airflow** will cool your room faster, but it needs to be adjustable so you're not sitting in a draught once the room has reached the desired temperature.

All the models in the *What to buy* list achieved reasonable to very good scores for these factors. Other key findings were:

■ The GOLDSTAR was not only one of the cheapest models tested to buy, but also the cheapest to run and the best performer overall.

■ Split-system air conditioners are generally quieter than individual room units because the noisiest part (the compressor) is installed outside your house. Our tests showed that you can't hear a difference between the indoor units in this report. We measured them as 57 to 59 dB with the fan on high, which is well below the level of a normal conversation.

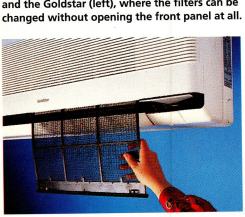
WHAT TO BUY

GOLDSTAR GA-2266VHR*	$2399
KELVINATOR KSR25C	$2399
CARRIER 53QNL022	$2850
FUJITSU AST24RSG	$2889

* The Goldstar is being taken off the market, so check out shops soon if you want to buy it.

All the models tested have filters in the indoor air inlet that clean the air as it's sucked in. You need to clean them every two weeks or so (check the instruction manual) to keep your air conditioner working at maximum efficiency.

With most models you need to lift the front panel to access the filters. Exceptions are the Fujitsu (right), where you have to remove the front panel altogether, and the Goldstar (left), where the filters can be changed without opening the front panel at all.



WHAT TO LOOK FOR

Before buying an air conditioner

■ Do you really need one? If you're feeling uncomfortably hot for only a few days each summer, you may find other, cheaper ways to keep cool (see *How to keep you and your home cool*, page 32).

■ Decide which rooms you'd like to cool. Estimate the cooling capacity you'll need for that area (see *How to estimate your cooling needs*, pages 30 to 31) and look for an appropriately sized model.

When buying your air conditioner

■ A high **energy-efficiency rating** helps to protect the environment and keep your energy bill down (see *How to read the energy-rating label*, page 32).

■ **Adjustable** or **oscillating louvres** allow the cool air to be distributed more evenly.

■ As the indoor unit of split-system air conditioners is best installed close to the ceiling, it's very useful if you can change settings by **remote control** (all the models tested have a remote).

■ A **multi-speed fan** allows you to vary the airflow according to your needs: high, to quickly cool down your room; low, once your room is cool, to prevent you sitting in a draught.

■ A **timer** allows you to set your air conditioner to switch on and off at certain times.

■ A **sleep timer with temperature adjustment** gradually decreases the temperature when in heating mode and increases it when in cooling mode — making the temperatures not so extreme and so less likely to affect your sleep.

■ If you live in a cold area and want to use the air conditioner for heating, look for a model with an **automatic de-icing** function. Without this feature, you may have problems with frost building up on the outdoor heat exchanger coils in winter, reducing the unit's efficiency. Icing up usually isn't as big a problem with split systems as with window-type air conditioners, because split systems tend to have bigger heat exchangers and more effective fans.

When installing your air conditioner

■ Cool air is heavier than warm air. So for optimum cooling, the air outlet should be installed as close to the ceiling as possible, with the louvres pointing horizontally or upwards. That way the cool air can spread out, drop down and cool the whole room.

However, if you have a reverse-cycle air conditioner you also plan to use for heating, this position isn't ideal. You may need to compromise and install the unit lower.

■ Air conditioners can be noisy, so think about your neighbours when deciding where to install the compressor. There may even be laws on acceptable noise limits where you live — ask your local council.

■ Try to shade the outdoor unit from direct sunlight — for example, by providing an awning.

■ With split systems, the outdoor unit should be installed on a firm base (for example, a concrete slab) or attached to a wall, using sturdy brackets. It should be as close as possible to the indoor air outlet, preferably 10 m or less away.

When using your air conditioner

■ Prevent heat from entering your home in summer (see *How to keep you and your home cool*) or from leaving your home in winter (see CHOICE, May 1997, page 18) as much as you can.

■ Each degree cooler you want your room in summer can increase the running costs by 15%. For example, an indoor temperature of around 25 °C in summer will usually provide comfortable conditions inside, while keeping energy consumption reasonable.

■ Shut all doors and windows around the area you want to cool or heat while operating the air conditioner.

■ Clean the filters as recommended by the manufacturer.

Models in the *What to buy* list are profiled in rank order. The prices shown are a good target to aim for when shopping around, based on manufacturer information in August 1997. Anything lower is a bargain.

GOLDSTAR GA-2266VHR

Target price: $2399

Temperature range: 20-30°C for cooling; 16-30°C for heating.

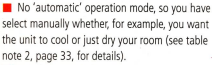
Note: The Goldstar is being taken off the market and may be difficult to find.

Good points

- Good all-round performer.
- Equal best for heating efficiency.
- One of the cheapest models tested.
- Lowest power consumption and running costs.
- Long warranty — three years plus an extra two on the compressor.
- Quietest outdoor compressor.
- Front cover of indoor unit doesn't have to be opened to clean the filters.

Bad points

- Remote control not as easy to use as some of the others.
- No 'automatic' operation mode, so you have to select manually whether, for example, you want the unit to cool or just dry your room (see table note 2, page 33, for details).
- Equal noisiest indoors.



CARRIER 53QNL022

Target price: $2850

Temperature range: 17-32°C for both heating and cooling.

Good points

- Equal quietest indoors.
- Very good instruction manual.
- Long warranty — five years.

Bad points

- Noisiest outdoor compressor.

KELVINATOR KSR25C

Target price: $2399

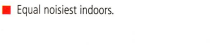
Temperature range: 18-30°C for cooling; 16-30°C for heating.

Good points

- Best for cooling efficiency.
- Equal best for heating efficiency.
- One of the cheapest models tested.

Bad points

- Remote control not as easy to use as some of the others.
- Filters are fiddly to change.
- Lowest airflow score, so cooling down or heating up a room may take longer than with other models tested.
- Equal noisiest indoors.



FUJITSU AST24RSG

Target price: $2889

Temperature range: 18-30°C for cooling; 16-30°C for heating.

Good points

- Highest airflow score, so cooling down or heating up a room may be quicker than with other models tested.
- Best remote control.
- Equal quietest indoors.
- Horizontal airflow direction (airflow louvres) can be controlled by the remote.
- Long warranty — five years.

Bad points

- Lower cooling efficiency than the other models in the *What to buy* list.
- Front cover needs to be removed completely to access the filters.
- Instruction manual is difficult to follow.

How to estimat

Before you decide on an air conditioner it's important to know just how much cooling capacity you need:

- Insulate — then calculate. Prevent summer heat gains and winter heat losses as much as you can before investing in an air conditioner (for cooling tips, see *How to keep you and your home cool*, page 32).
- If you choose a model that's too small, it'll have problems getting the room(s) to the desired temperature.
- Choose one that's too big, and it may not only cost you more to purchase than necessary, but it will probably also cool the room too quickly without reducing the humidity at the same time, making it uncomfortable. It'll also cycle on and off more often, which may lead to more wear and tear on the unit and increase the chance of a breakdown.

The calculator on the right allows you to estimate the cooling capacity appropriate for your room(s). To use it, you need to gather the required information, put the figures in the estimator and follow the steps described for each room you'd like to cool:

- Measure the ceiling, floor and window areas in square metres (multiply length by width or height).
- Measure the length of internal and external walls in metres.
- Find out the material external walls are made from.
- Find out the direction windows face and the type of shading they have.
- Multiply the areas and lengths you measured by the heat gain factor in the calculator that's closest to your conditions (for example, if the ceiling is uninsulated, multiply its area by 20; if an external wall is uninsulated brick veneer, multiply its length by 65).
- Add up all the heat gains of the room elements.
- Depending on the main use of the room, add *one* of the numbers given (for example, add 800 if it's a living area).
- Divide the result by 1000 to get the output cooling capacity in kW needed for the room.

In May CHOICE this year we showed you how to estimate your heating needs. If you plan to buy a reverse-cycle air conditioner and use it for heating as well, you'll have to make both calculations to be able to find the model with the capacities closest to your needs.

our cooling needs

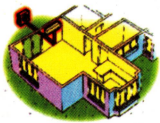
Cooling calculator

Room element	Properties	Measure	Multiply	Heat gain
Ceiling	Uninsulated	area: _____ sq m	x 20 =	_____ W
	Insulated	area: _____ sq m	x 10 =	_____ W
Floor	Open or non-air-conditioned space below	area: _____ sq m	x 20 =	_____ W
	Slab floor on ground, enclosed crawl space or air-conditioned space below	area: _____ sq m	x 0 =	_____0___ W
Internal walls	Adjacent space is air-conditioned	length: _____ m	x 0 =	_____0___ W
	Adjacent space is not air-conditioned	length: _____ m	x 40 =	_____ W
External walls	With foil insulation	length: _____ m	x 25 =	_____ W
	Uninsulated cavity brick	length: _____ m	x 55 =	_____ W
	Uninsulated brick veneer or weatherboard	length: _____ m	x 65 =	_____ W
	Uninsulated cement sheets (for example, fibro)	length: _____ m	x 80 =	_____ W
Windows (facing north or east)	Shaded externally or screened by vegetation	area: _____ sq m	x 120 =	_____ W
	Double-glazed or with floor-to-ceiling curtains	area: _____ sq m	x 120 =	_____ W
	With external blinds or awnings	area: _____ sq m	x 160 =	_____ W
	With internal blinds or half-length curtains	area: _____ sq m	x 300 =	_____ W
	Without shading, blinds or curtains	area: _____ sq m	x 400 =	_____ W
Windows (facing west or skylights)	Shaded externally or screened by vegetation	area: _____ sq m	x 240 =	_____ W
	Double-glazed or with floor-to-ceiling curtains	area: _____ sq m	x 240 =	_____ W
	With external blinds or awnings	area: _____ sq m	x 320 =	_____ W
	With internal blinds or half-length curtains	area: _____ sq m	x 600 =	_____ W
	Without shading, blinds or curtains	area: _____ sq m	x 800 =	_____ W
Windows (facing south)	Shaded externally or screened by vegetation	area: _____ sq m	x 60 =	_____ W
	Double-glazed or with floor-to-ceiling curtains	area: _____ sq m	x 60 =	_____ W
	With external blinds or awnings	area: _____ sq m	x 80 =	_____ W
	With internal blinds or half-length curtains	area: _____ sq m	x 150 =	_____ W
	Without shading, blinds or curtains	area: _____ sq m	x 200 =	_____ W
			Total heat gains =	_____ W
If the room is mainly used for	Sitting		add 800 W	_____ W
	Cooking		add 1200 W	_____ W
	Sleeping		add 400 W	_____ W
			Total =	_____ W
			Divide by 1000 =	_____ kW

The final figure is in kW and is an estimate of the cooling capacity you require from an air conditioner.

Based on the CSIRO publication *Room heaters and coolers — choosing the best size.*

Room unit



Split-system air conditioning

Ducted air conditioning

Reverse-cycle air conditioners come in different types: wall units (far left) for one room, split systems with an outside compressor and an inside air outlet (middle), and ducted systems with an outside compressor and several inside ducts (right).

Illustrations courtesy of energyAustralia

SPLIT-SYSTEM REVERSE-CYCLE AIR CONDITIONERS

1

2

Brand / model (in rank order)	Manufacturer / distributor	Origin	Target price ($)*	Warranty (years)**	Claimed capacity (cooling / heating; kW)	Dimensions internal unit (WxHxD; mm)	Dimensions external unit (WxHxD; mm)	Operatin modes
GOLDSTAR GA-2266VHR (A)	LG Electronics	Korea	2399	3 (C)	6.30 / 6.30	1005 x 360 x 175	885 x 655 x 340 (F)	C, D, F, H
KELVINATOR KSR25C	Kelvinator	Korea	2399	2 (D)	6.80 / 6.80	1075 x 285 x 185	880 x 660 x 320 (F)	A, C, D, H
CARRIER 53QNL022	Carrier	Korea	2850	5	6.22 / 6.59	1140 x 360 x 220	870 x 600 x 315 (F)	A, C, D, F
FUJITSU AST24RSG	Fujitsu General	Thailand	2889	5 (E)	6.52 / 7.32	1240 x 310 x 200	850 x 645 x 360 (F)	A, C, D, F
SHARP AC244RSYS	Sharp	Thailand	2699	1 (C)	6.53 / 7.83	1100 x 330 x 195	805 x 640 x 300 (F)	A, C, D, F
HITACHI RAS-5242CHA (B)	Hitachi	Malaysia	2250	2 (C)	6.20 / 7.10	1085 x 295 x 190	830 x 625 x 345 (F)	A, C, D, F

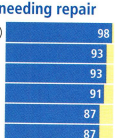
How reliable have our subscribers found them?

We asked a group of subscribers whether their air conditioner had needed repair during the past 12 months, and whether they would buy the same brand again. The graphs below show the results for the brands for which we have sufficient numbers (the number in brackets tells you how many readers reported on each brand). The survey also covers brands not included in this test, and we don't have reliability data for all brands on the market.

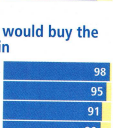
Eleven per cent of people in the survey told us their air conditioner had needed repair in the past 12 months. The average cost of the last repair was approximately $182.

Note that the results of the survey are for all types of reverse-cycle air conditioner, not just split systems.

Percentage not needing repair



Percentage who would buy the same brand again



How to read the energy-rating label

Your choice of an air conditioner may influence your energy bill for the next 10 years or longer. So it's important to choose the right one for your needs with the lowest energy consumption possible.

Many people think energy-efficient appliances are more expensive to buy than those with a higher energy consumption. However, our test shows that this doesn't have to be true — one of the cheapest to buy was also the cheapest to run and the best performer overall.

Comparing the energy efficiency of air conditioners is easy: household models with a cooling capacity of up to 7.5 kW must have an energy-rating label that shows the actual energy consumption under test conditions, and the corresponding star rating. The more stars, the more energy-efficient the air conditioner (six stars is the highest).

The label of reverse-cycle air conditioners shows two numbers: a blue one for the energy consumption over 500 hours of cooling, and a red one for 500 hours of heating. Accordingly, there are two star ratings.

However, the actual number of stars only lets you compare apples with apples — it depends on the capacity of the air conditioner. For example, the 6.8 kW **KELVINATOR** in this test has more stars than the 6.3 kW **GOLDSTAR**, but the larger-capacity **KELVINATOR** will still use more energy over 500 hours of cooling or heating. So it's important you make an informed decision about the size you really need, and then start comparing labels.

How to keep you and your home cool

If you follow this advice, you may not need an air conditioner — particularly if you only feel uncomfortably hot for a few days each summer. And even if you've already got one, following these tips will allow it to work less hard and save you money.

- **Insulated ceilings and walls** reduce the heat flow between the outside and the inside of your home, keeping it warmer in winter and cooler in summer. In summer, up to 35% of the heat in your house enters through an uninsulated ceiling, while 15 to 25% gets in through uninsulated walls. Insulating the ceiling should be a number one priority for every house owner (see our test of insulation materials in CHOICE, August 1997, for more information).
- However, for insulation to work properly in summer, it's essential you also provide **shading** for east, north and west-facing windows to prevent the sun's heat from entering your house. If they're not shaded, the interior will heat up, and the heat may not be able to escape because of the insulation (this is called the 'oven effect'). Your house may stay hot for a long time, even if outside temperatures drop. Putting shading on the outside is more efficient than internal blinds or curtains.
- **Draughtproof** your home: for example, close off unused pet doors and fireplaces, and seal windows with insulation strips.
- While **portable** and **ceiling fans** don't actually lower the room temperature or humidity, they can create a cooling effect by helping to evaporate perspiration on your body.
- Try to **avoid activities that produce heat** (such as ironing or cooking) during the day.
- Wear **light clothing** made from **natural fibres**.

3	3	3	4	5	6	7	8	9	
	Power consumption (claimed / measured)								
Star rating (cooling / heating)	Cooling (kWh over 500 h)	Heating (kWh over 500 h)	Running costs: 10 years ($)	Cooling efficiency score (%)	Heating efficiency score (%)	Airflow score (%)	Ease of use score (%)	Overall score (%)	Brand / model (in rank order)
★★★★ / ☆☆☆	1162 / 1128	1165 / 1162	2750	78	84	95	80	83	**GOLDSTAR** GA-2266VHR (A)
★★★★ / ☆☆☆☆	1225 / 1178	1215 / 1245	2910	83	84	80	60	79	**KELVINATOR** KSR25C
★★★★ / ☆☆☆☆	1230 / 1256	1202 / 1200	2950	69	73	89	74	75	**CARRIER** 53QNL022
★★★ / ☆☆☆☆	1365 / 1429	1260 / 1324	3300	58	81	97	62	72	**FUJITSU** AST24RSG
★★ / ☆☆☆	1465 / 1516	1475 / 1492	3610	50	72	85	78	67	**SHARP** AC244RSYS
★ / ☆	1550 / 1641	1775 / 1894	4240	37	39	86	60	50	**HITACHI** RAS-5242CHA (B)(C)

* Prices shown are a good target to aim for when shopping around, based on manufacturer information in August 1997.

** Parts and labour on the whole unit.

(A) According to the manufacturer, this model has been replaced by a new model, LS-0246H5, which will no longer use the Goldstar brand name.

(B) According to the manufacturer, this model has been discontinued. Model number is for inside unit. Outside unit is RAC-5242CHA.

(C) Plus two extra years on compressor.

(D) Plus two extra years on sealed refrigerant system and fan motor.

(E) Five years according to the manufacturer. The model we purchased came with a two-year warranty on parts and labour, with an extra three years on the compressor, evaporator/condenser coil and factory-installed tubing. Check the warranty conditions when you buy this model.

(F) For the width, add a minimum of around 60 mm for piping.

All models have the following features (see *What to look for*, page 29, for more details):

- Remote control.
- Multi-speed fan for controlling airflow.
- Oscillating louvres for controlling air direction.
- On/off timer operation and clock.
- Sleep timer with temperature adjustment.
- De-icing mode.

1 Claimed capacity

You choose a reverse-cycle air conditioner based on the cooling and heating capacities required for your room(s). The models in this test are suitable for average-sized open-plan living areas.

2 Operating modes

The letters in this column represent the following operating modes:

- **Automatic (A):** The unit automatically selects the most appropriate mode (cool, dry or heat).
- **Cool (C):** The unit pumps heat from the inside to the outside.
- **Dry (D):** The unit removes moisture from the air (dehumidifies) without reducing the temperature as much as in 'cool' mode.
- **Fan (F):** The unit runs only the fan without operating the heat pump.
- **Heat (H):** The unit pumps heat from the outside to the inside.

If east, north or west-facing windows aren't shaded, your room will get very hot and your air conditioning will have to work overtime. External window shading is more efficient at keeping out the heat than internal blinds or curtains.

3 Star rating/power consumption

We measured the models' energy consumption and used the results to calculate the power consumption over 500 cooling and 500 heating hours, which was then compared to the star ratings and claims on the energy labels. For most models, the claimed and measured values were within 5% of each other. The **HITACHI**, however, understates its cooling and heating consumption considerably.

4 Running cost over 10 years

The 10-year running costs are based on the air conditioners operating for 500 hours of cooling and 500 hours of heating each year, and an electricity rate of 12 cents/kWh. They show that a higher purchase price can be recovered by lower running costs — for example, compare the **CARRIER**'s purchase plus running costs ($5800) with those of the **HITACHI** ($6490).

Running costs in your location may be higher or lower, depending on how you use your air conditioner (for example, you may run it for more cooling hours but fewer heating hours) and electricity costs, but the comparison remains valid.

5 6 Cooling and heating efficiency scores

For a particular room size and conditions specified in the Australian standard, we calculated and rated the amount of cooling output in kilowatts (kW) the models provided per kW of power they used (called the 'cooling coefficient of performance'). Higher scorers will cool your room faster and more cheaply. The same calculations were performed for heating efficiency.

7 Airflow score

We assessed the indoor airflow (in litres per second) on the unit's low, medium and high fan settings. Models with a higher airflow will be able to cool your room faster and achieve a more even temperature throughout it.

8 Ease of use score

A user panel assessed the models' remote controls, instruction manuals and the ease of removing and cleaning the filters.

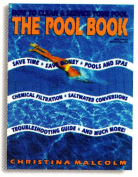
9 Overall score

The overall score is a combination of cooling efficiency, heating efficiency, airflow and ease of use, weighted as follows:

- Cooling efficiency: 40%.
- Heating efficiency: 25%.
- Airflow: 20%.
- Ease of use: 15%.

We weighted cooling efficiency higher than heating efficiency because more people use reverse-cycle air conditioners for cooling than for heating.

CONSUMER BOOKSHELF


THE POOL BOOK
SAVE TIME • SAVE MONEY • POOLS AND SPAS
CHEMICAL FILTRATION • SALTWATER CONVERSIONS
TROUBLESHOOTING GUIDE • AND MUCH MORE!
CHRISTINA MALCOLM

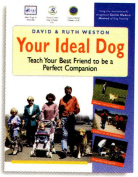
The Pool Book

How to clean and service your pool

A favourite!

If you have a pool or spa you know how difficult it can be to keep it clean. This book helps you do it efficiently and quickly so you can spend less time working on your pool and more time in it.

$6 **Code: HCYP**

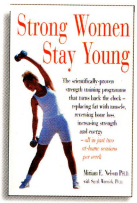


Your Ideal Dog

Teach your best friend to be a perfect companion

Your Ideal Dog has tables on the temperament and trainability of various breeds to help you decide on the right type of dog for you. Then you'll learn communication skills for your dog and how to train it to sit and stand, walk through a crowd, to remain calm with various distractions, to behave safely on roads, and improve mealtime manners.

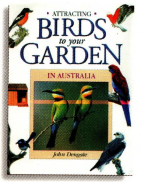
$25 **Code: YRID**



Strong Women Stay Young

Based on scientific research, this book presents a strengthening exercise program for women from 30 years of age that can improve health, bone density and vitality. It also includes advice about incorporating the exercises into a gym program.

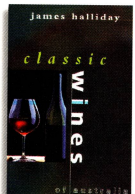
$20 **Code: SWSY**



Attracting Birds to Your Garden in Australia

A beautifully illustrated, full-colour guide to planning and building a garden to attract birds, which covers feeding and watering, providing nesting spots, birds on farms, maintaining a native plant garden, and a 100-page directory of birds you may see in your garden, including introduced species. A charming book by popular ABC Radio naturalist John Dengate.

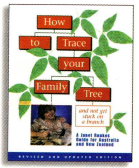
$40 **Code: ABGA**



Classic Wines of Australia

In *Classic Wines of Australia*, James Halliday takes the best Australian wines and looks at each vintage, noting their individual characteristics, and then rates the wine and its current 'drinkability'. A wonderful book for wine lovers. Please note: the reviews of wine are the author's opinions.

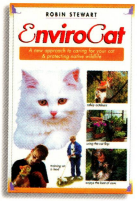
$30 **Code: CWOA**



How to Trace Your Family Tree (and not get stuck on a branch)

How to Trace Your Family Tree explains what information can be gleaned from birth, death and marriage certificates, shipping records, census records, newspapers and directories, and tells you how and where to find them. It includes sample family record sheets, and explains how to store, care for and share your discoveries.

$17 **Code: HTFT**

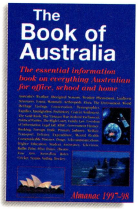


EnviroCat

A new approach to caring for your cat and protecting native wildlife

EnviroCat describes a system for training your cat and keeping it happy and healthy, while stopping it from roaming and damaging the environment. It includes advice about training both kittens and cats, nutrition and good health, what you can do to prepare your house for an envirocat, and cat ownership and the law.

$25 **Code: ECAT**

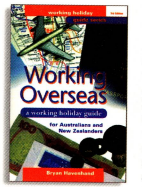


The Book of Australia

Almanac 1997–98

The Book of Australia contains almost 600 pages full of detailed facts, figures and other information on everything Australian — climate, history, geography, health, economy, politics, defence, transport and communications.

$20 **Code: TBOA**

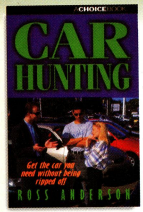


Working Overseas

A working holiday guide for Australians and New Zealanders (3rd edition)

This expanded and updated guide is aimed at adventurous Australians and New Zealanders who want to see the world. Almost 200 organisations are listed that can assist in making the leap to working overseas, and the book also explains working restrictions in many countries and types of employment available in various locations.

$17 **Code: WOS**



Car Hunting

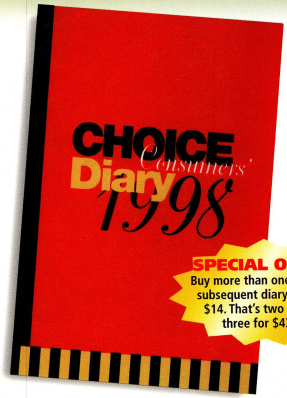
Car Hunting explains how to decide what is a fair price when buying or selling a car (whether new or used), how to prepare a car for sale, and how to buy a car at an auction without getting ripped off. There are simple explanations of finance, warranty and insurance deals — and the rorts to avoid — and handy checklists that will help you to avoid falling into a salesperson's traps.

$16 Code: CARH

Safer Pest Control for Homes and Gardens

Safer Pest Control for Homes and Gardens gives easy-to-understand information about how common pesticides work, what they're good for, and when it might be better *not* to use them. This book is an essential guide for householders and gardeners looking to choose the least damaging way to control pests in their home and garden.

$16 Code: SPC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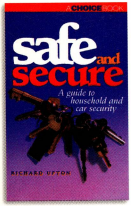
Buy more than one and each subsequent diary will cost $14. That's two for $29, three for $43 . . .

CHOICE Consumers' Diary 1998

Conveniently sized (22 x 15 cm), the *CHOICE Consumers' Diary 1998* features:

- a week to an opening
- practical CHOICE consumer tips
- school and public holidays
- a practical spiral binding that allows it to lie flat when open on your desk
- pages of useful addresses
- monthly expense planners
- an addresses section at the back

$15 spiral-bound Code: 1998

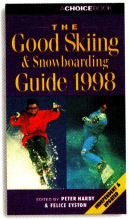


Safe and Secure

A guide to household and car security

If you don't want yourself, your family or your possessions to end up as another crime statistic, it's important to take some protective action — now. A good starting point is to read *Safe and Secure*, which is full of practical and affordable tips for protecting your family, home and belongings. It includes advice about safeguarding a door, creating psychological barriers to burglars, window and door locks, travelling safely and how to improve your personal safety on the streets.

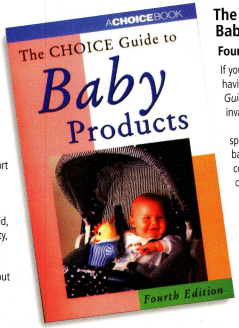
$17 Code: S&S



The Good Skiing and Snowboarding Guide 1998

Focusing especially on Europe and North America, this definitive ski resort reference guide contains lively, unbiased descriptions of the skiing, character and après-ski amenities of over 500 top resorts around the world, with details of prices, level of difficulty, ski schools, where to stay and childcare facilities. Specially commissioned colour maps throughout show lift locations and illustrate the number and grade of the best runs.

$30 Code: SKI2



The CHOICE Guide to Baby Products

Fourth edition

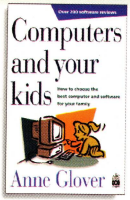
If you or someone you know is having a baby, a copy of *The CHOICE Guide to Baby Products* could be an invaluable aid.

It offers both general and specific buying advice for a new baby's requirements — safe-conduct through a potential consumer minefield.

It includes practical information about subjects such as cots, prams/ttes, car restraints, first-aid kits, childcare, maternity bras, feeding your baby, nappies, immunisation and safety.

$16 Code: CBP4

CONSUMER BOOKSHELF


Over 200 software reviews
Computers and your kids
How to choose the best computer and software for your family
Anne Glover

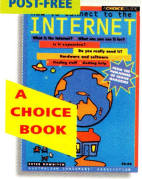
Computers and Your Kids

How to choose the best computer and software for your family

This book helps parents select, set up and use a computer and software in the best possible way for their child. *Computers and Your Kids* demystifies the jargon and the equipment that parents must deal with, and includes more than 200 software reviews.

$20 Code: CAYK

POST-FREE



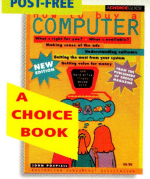
How to Connect to the Internet

This guide is a handy introduction to getting around the Internet. Whether you want to use the Internet for business or pleasure, *How to Connect to the Internet* will point you in the right direction.

"A small price to pay for expert, unbiased, independent Internet advice" —*Australian Net Guide;* and ". . . it's the best and easiest to understand publication of its kind" —*The Mercury.*

$10 Code: NET

POST-FREE

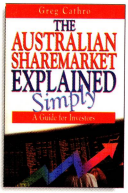


How to Buy A Computer

2nd Edition

In plain language, *How to Buy a Computer* offers practical advice on buying a computer. It covers deciding whether you need a computer, working out what you need, what's available and how you can use it, plus a glossary of useful computer terms and a tear-out checklist to take with you when you go shopping.

$10 Code: HBC2

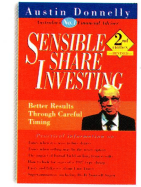


The Australian Sharemarket Explained Simply

A Guide for Investors

This book includes information on how to make realistic buying and selling decisions, the sorts of returns to expect, the fees and charges, how much of the investment process you should undertake yourself, stock selection, and constructing a suitable share portfolio — all in short, easy-to-read chapters with plenty of examples and key-point summaries.

$20 Code: ASES

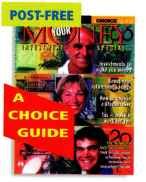


Sensible Share Investing

Austin Donnelly uses his 40 years of investment experience to set out what he believes to be the important considerations when investing in shares. Some of the issues he writes about are: the timing of both selling and buying, the warning signs of a slump, the pros and cons of unit trusts, and how to analyse your shares' performance.

$25 Code: SSI

POST-FREE



Your Money

This investment special provides you with the independent financial advice you need about investing your money. It includes information on how and where to invest your money, making the most of your super options, and developing a savings plan. *Your Money* also includes advice about choosing a stockbroker.

$13 Code: YOMO

Order Form

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There's a lot of hype about the money you can make from investing in the sharemarket, especially during its recent record high. But if you're thinking of entering it, beware its potential pitfalls.

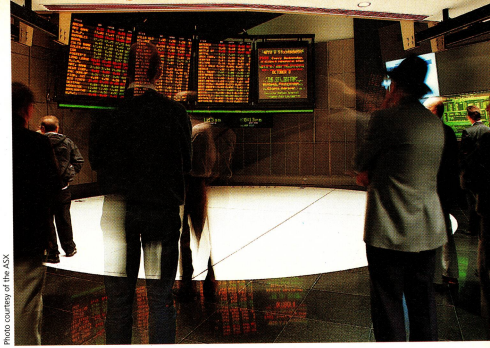


Photo courtesy of the ASX

Buy! Sell! Buy!

SHARE INVESTMENT IS NOT THE most secure way to make money, but with all the media attention on its recent growth you may have thought it an attractive option. Shares may seem a particularly enticing investment compared to lower-earning fixed-interest accounts. In the year to June 30, 1997, the sharemarket rose 26.6%, compared to other investments such as government bonds, which increased in value by 16.6% in the same period.

Despite the occasional dip in prices (for example in August this year), the Australian stockmarket is riding high, with the All Ordinaries Index seeing steady growth over the past couple of years. (This is the main Australian share price index, which traces the change in total market value of a range of companies.) And a record one-third of the adult population now owns shares either directly, or indirectly through managed funds (unit trusts).

But investors could do worse than heed the time-worn phrases 'buy low, sell high' and 'buy in gloom, sell in boom'. Although no-one knows when the market will peak or fall, experience shows that buying at a high point generally produces disappointing results.

Security: how well do you want to sleep at night?

The most important thing to remember about share investment is that your money is exposed to a level of risk that can be rated as medium to high. Shares are volatile creatures, which means the returns (the money you make) may vary considerably. Declines even in leading shares can be serious — 50% or more — and recovery may take a few years.

Base your decision whether or not to invest in the sharemarket on your ability to afford that risk, as well as on other factors such as your age and financial situation. For example, older people may want to stick to more secure investments, as their options for when they'll have to sell may be limited — by retirement, for example.

If the market goes down, young people are more likely to be able to afford to hang onto their investment and wait for it to go up again before selling. And in this situation the decision whether to sell and invest their money elsewhere is another gamble. Will the lower price they get for the shares be compensated for by the performance of the new investment, or will the shares pick up again?

If you want to avoid risk altogether, choose a different type of investment, such as a cash management trust or medium-term fixed-interest investment. You may not receive the higher returns that shares can offer, but there's more certainty you'll at least get your original outlay back.

Here's an example to illustrate the volatility of shares. Say you invested $10,000 in Australian shares at different times over the 14 years to June 30, 1996. Depending on when this was, 12 months later your investment could have been worth anything from $7160 to $18,600.

Investing in shares as a long-term plan (10 years and upwards) can minimise your susceptibility to this volatility. However, some stocks never pick up, and recovery for others has taken nine to 12 years.

IN BRIEF

- **Although shares often produce better long-term profits than other investments, they're a medium- to high-risk investment. Don't buy them unless you can afford that risk.**
- **Performance graphs can be very misleading — one month included or excluded can make a major difference to how good a stock looks (see page 39).**

What shares are

■ **A share is a unit of ownership in a company. When you buy a share, you become a part owner of the company's assets and, if the company makes a profit, you'll receive dividends (payments by the company to you). If the value of the shares rises, you can sell them and make a profit on your investment in that way too.**

■ **In limited-liability companies, if you own shares your liability is limited to their face value. In other words, if the company goes broke, you'll have lost your investment but you won't be required to pay any of its debts. This is different from contributing shares, which haven't been fully paid for and where you'll need to pay the balance if called upon by the company.**

■ **You can buy shares either through a managed fund, where your money is pooled with other people's to buy shares in a range of companies, or directly through a stockbroker. Stockbrokers are bound by Australian Stock Exchange rules for their operation and conduct.**

What will it cost you?

You can lessen, but not avoid, risk in shares by diversifying (choosing a portfolio of several stocks in various industries). This way, your returns aren't dependent on the performance of any one company or industry.

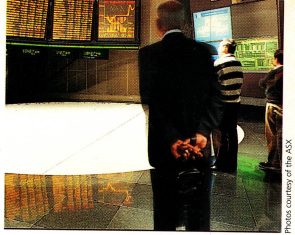
If you're investing directly through a stockbroker, this may be expensive, however. Some experts recommend you need at least $1600 per company, which would mean about $20,000 is needed for a diversified share investment.

With just $1000 to invest, a managed fund that might cost you roughly $2.5 to $4.5 in the first year is probably a better option. For a $1000 parcel of shares invested directly via a stockbroker, the one-off cost could be anywhere between $40 and $100, and 10% of your outlay in fees is a pretty hefty charge.

In addition, you'll pay stamp duty of 0.15% on each purchase or sale of shares.

And don't forget the tax implications of buying and selling shares. There may be capital gains tax payable when shares are sold if their capital value rises above the inflation rate, and income tax payable on dividends (money the company pays its shareholders when it's doing well).

You should also seek advice on how full and partial franking (also called 'dividend imputation') might affect you. This means shareholders receiving dividends are entitled to a credit for the Australian tax already paid by the company on its income. For example, taxpayers on the highest marginal income tax rate who receive 'fully franked' dividends effectively pay tax of just under 20% on their investment income, instead of 47%.



Photos courtesy of the ASX

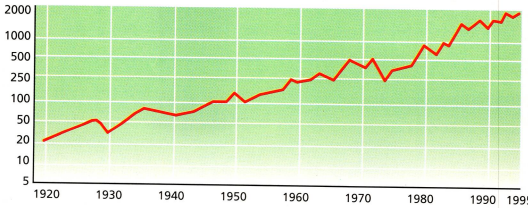
Reading between the lines

You may have heard that, over the long term, share returns always improve. But what this actually means is share price indices — which are a way of measuring particular groups of stocks, such as gold or retail, for example — have improved, like the All Ordinaries Index shown below.

On a stock by stock basis, it's quite different — there's no law of the market that says any *individual* stock will necessarily improve over 10 years, and the indices won't show companies that fail. And what's not often stated is that there have been long periods of up to 15 years in which there was no net increase (1959 to 1974, for example).

Indices are useful in that they let you compare the past performance of a share with something, whether it's an industry sector or the whole market. However, the basic All Ordinaries Index only looks at share price movement. The All Ordinaries Accumulation Index (which assumes you reinvest any dividends paid to you) would give a better idea of how much money you'd have made. In most cases, indices ignore tax, brokerage and stamp duty.

ASX all ordinaries share price index



The All Ordinaries Share Price Index only includes about 300 of the biggest of the 1200 companies listed on the Australian Stock Exchange (ASX). The fact that it doesn't include failed companies and smaller, riskier companies means it looks more positive than may be justified, although it does cover 80% of the total value of ASX-listed shares.

Will the market crash?

September 1987: The sharemarket was booming, with the All Ordinaries Index at an all-time high of 2312. Growth was accelerating strongly, investor confidence was high. Then came October 19 — 'Black Monday' — when the US stockmarket plummeted, taking other world markets with it. Investors panicked and pulled their shares out in droves. The Index dropped by 25% in one day, wiping millions of dollars off the value of most shares.

November 1997: Just after the 10-year anniversary of the 1987 stockmarket crash, it's timely to review this scenario. What's the difference between 1987 and 1997? Will we see the same kind of crash occurring again?

Essentially, the consensus is that there *is* no consensus in predicting which way the market will turn. There are experts who believe the market is too high and so is ripe for a downturn, just as there are those who argue that it can still make significant gains.

But most key economic indicators are not the same now as 10 years ago. In 1987, consumer spending had increased sharply, interest rates were significantly higher and inflation was up to 10% (it's now around 1.7%).

In addition, successful companies in 1987, such as the infamous Bond Corporation, were very different from successful companies now. In general terms, companies then incurred a high level of debt through borrowing to buy other businesses. Now they tend to concentrate on building their own businesses, with less reliance on borrowing.

On the other hand, analysts agree that, as in 1987, any large downturn in the US sharemarket will be reflected in the Australian market.

It's significant that most of the optimistic opinions are from people who have an interest in "talking up" the market. The June issue of the newsletter of the Australian Investors' Association (a non-profit organisation), on the other hand, pointed out that according to several indicators, share prices are dangerously high.

CHOICE is no better at economic forecasting than anyone else in the market, and we don't pretend to give financial advice. We just strongly suggest you take the factors discussed in this article into account when you're deciding whether to invest in shares.

More information

This article is a brief overview of investing in shares. More detailed information can be found in the plethora of investment advisory books available from local libraries and good bookshops. Three which are available from the Consumer Bookshelf are *The Australian Sharemarket Explained Simply, Sensible Share Investing* and *Your Money* — see page 36. You can also keep up-to-date by reading the financial pages of daily newspapers and business magazines.

If you decide share investment's appropriate for you, but are unsure about how to choose which stocks to invest in, you may want to look at putting money into a share trust. This is where you pay a professional fund manager to invest in shares for you (see CHOICE, *Hot Prospects*, September 1997, for more information).

GRAPHS CAN PROVE ANYTHING

Having just passed the 10-year anniversary of the 1987 stockmarket crash, we think a warning is necessary about company charts. Companies may start advertising graphs of their performance over the past 10 years, which sounds like an innocently rounded figure. But, depending on the company, such charts may make even a poor performer look amazingly good, with graph lines seemingly extending forever upwards from the low base of November 1987.

For example, the company in the graphs below had a listed share price of about $4.60 before the crash. After the crash it fell to $2.70.

If you look at Figure 1 below, which starts in November 1987, it looks as if, despite some significant ups and downs, the company's market value is trending upwards and 6.7% yearly growth would have been achieved over the last 10 years. (This doesn't take tax or inflation into account and dividends aren't included.)

But if we use the pre-crash price (Figure 2) you'll see the value hasn't moved much past $5.10 — a yearly growth rate of only 1.1% after almost the same 10 years.

Investors who bought shares in the company at the top of the market have had to wait up to 10 years to recover the value of their outlay. And that's not even including tax or inflation on the amount.

The lesson here is not to be misled by charts — as you can see from this example, a month included or excluded can make all the difference. You can get very different results measuring from a low point to a high one than if you measure from peak to peak or peak to trough.

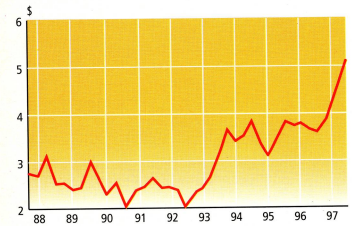


Figure 1. One company's share price growth since November 1987. Looks impressive?

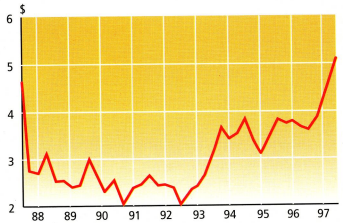
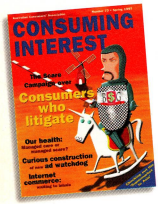


Figure 2. Not so impressive when the graph starts just a month earlier — it's taken 10 years for investors to get close to recovering their money.

Why can't we have cheaper CDs?

The music industry claims jobs will be lost and the industry will suffer if import restrictions on CDs are lifted, but what's the full story?

For more information about consumer issues in the news, read *Consuming Interest*, the Consumers' Association's policy and campaigning magazine — the order form is on page 42.



CDs COST MORE IN AUSTRALIA THAN many other countries — that's something anyone who's ever travelled to the US or south-east Asia, read foreign magazines or checked out prices on the Internet can confirm. The reason they cost more is because of import restrictions that are claimed to protect the Australian music industry.

Under these restrictions, only a few (largely foreign-owned) companies can import CDs (mainly the six major recording companies that control around 85% of CD sales in Australia). Each company has a monopoly over the distribution of the titles whose copyright it controls. The claim is that this gives the local music industry a chance to develop with less competition, and keeps the lid on piracy ('bootlegged' recordings that are manufactured cheaply and sold at cut-rate prices in mass markets and street stalls, as in many south-east Asian countries, for example).

However, there's no doubt that consumers suffer from this lack of competition by paying more than they do in many countries, and the Federal Government is currently (early October) considering whether to remove import restrictions. The decision is expected in late October, so by the time you read this you should know the outcome.

Facing competition

Every survey done by the former Prices Surveillance Authority and the Australian Competition and Consumer Commission confirms that this lack of competition keeps prices higher, as did a survey done by the Consumers' Association earlier this year.

The music industry association, ARIA, argues that piracy and increased competition from imports will cost thousands of jobs in the music industry if the restrictions are removed.

However, the music industry is going to be facing this sort of competition whether it likes it or not, as consumers increasingly use the Internet to buy cheaper CDs from overseas, and as digital music becomes available online. But small and specialist retailers may be able to create other jobs by sourcing cheaper CDs overseas and increasing sales through lower prices.

Countering fears

As for piracy, Australia's retail structure is very different from countries in which it flourishes. We don't have a street-market economy, there will be large fines for piracy, and the Australian Music Retailers Association has indicated that its members wouldn't knowingly stock pirated recordings.

Then there's the claim that Australian artists will get fewer royalties because of the increased competition. However, if the price of CDs falls, sales of local artists are likely to go up too, so they might even end up better off.

Industry also claims increased competition would make it unprofitable for the major companies to invest locally — but would they really pass up the chance to invest in another INXS? Also, the government could invest directly to make a strong local music industry instead of giving this kind of 'back-handed' subsidy to record companies. ❑

In summary

There's no good reason why Australian consumers should continue to be ripped off when buying CDs.

- Jobs are at risk anyway through the Internet; keeping import restrictions won't protect them, and cheaper CDs may create other jobs at the retail level.
- There's not likely to be a flood of piracy if imports are opened up.
- More sales of cheaper CDs (including local ones) should balance out any royalty losses to local artists.
- It makes more sense for the government to invest directly in the local music industry than to subsidise record companies at the consumer's expense.

By the time you read this you'll probably have heard a lot of PR that tries to smother these arguments and keep the local industry protected. In perspective, it's just another industry pleading for special treatment at the consumer's expense.

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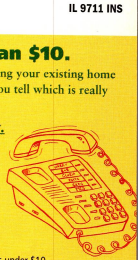

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Preparing for that timeless summer ritual — mowing the lawn? If you're shopping around for a new mower you'll probably see quite a few that mulch as well. We tested a selection of them.

More than just a mower

THE PERENNIAL SUMMERTIME chore beckons — time to mow the lawn. While some people favour an electric mower or the trusty manual push type, the most common tool for this task remains a petrol-fuelled rotary mower. If you're in the market for a mower you're likely to come across an increasingly popular variety of petrol mower — ones that mulch.

Since manufacturers began vigorously promoting them to consumers about three years ago, petrol-powered mulching mowers have gained a steady foothold in the market. Four-stroke mulchers currently account for about one-quarter of all mower sales.

We tested 10 petrol-powered mulching mowers for cutting and mulching performance on different heights of various grasses. We also rated their ease of use — things like pushing, handle comfort and manoeuvrability. Our test results will help you choose the best mulching mower, but first you'll want to know what they do.

Mulch while you mow

One of the biggest advantages of a mulching mower is that you won't have the hassle of raking up the lawn clippings and putting them on the compost heap or in the garbage. As the mower cuts the grass, the clippings are chopped up finely and blown back down into the lawn — ideally the mulch is finely shredded, evenly distributed and shouldn't be noticeable on the lawn's surface.

Apart from this practical convenience, mulching mowers provide benefits to the grass and to the environment as a whole. For more on this, see *Environmental issues*, page 44.

The test: cutting

Every mower in our test had no trouble cutting short grass and most also did very well with medium-height grass — heights at which most lawns would probably be mown. The **VICTA Mulch or Catch 2** didn't perform as well as other mowers in this test on medium-height grass.

The differences in cutting performance became much more apparent when the 10 mowers were put on their highest settings and pushed through a thicket of long grass. Two mowers in particular, the **HUSQVARNA 51M** and the **MASPORT Mulcher XM50**, distinguished themselves under these tough conditions.

The **TRIM RITE Mulchmo**, on the other hand, did very poorly in the tall grass. It slowed a lot and frequently stalled.

The test: mulching

Most of the mowers did well mulching the short grass — the best ones left only a barely visible dusting of clippings on top of the lawn.

For mulching, medium-height grass turned out to be a much more challenging task for the mowers. The **HUSQVARNA** did very well in comparison with the others. The next best on medium-height grass was the **MASPORT Mulcher XM50**, which left only a very sparse row and occasional small clumps of clippings on top of the lawn.

At the other end of the scale, four mowers did poorly in the medium-height mulching test. The **MURRAY** left a fair amount of clippings on the lawn, while the **TRIM RITE** and both **VICTA** mowers left

IN BRIEF

- **Mulching mowers can leave your grass looking neat as well as having environmental advantages — your lawn will need less fertiliser and water, and you don't have to throw the clippings into the garbage.**
- **If you buy a mulching mower that can also be used with a catcher, you'll find it more useful for long grass than one that can't.**

Catchers and chutes

Since mulching mowers can't effectively mulch long grass, a catcher or chute is useful if your lawn tends to get overgrown. A catcher will also make it easier to collect the clippings and put them on a compost heap or garden. When the side chutes or catchers are attached, the mowers will no longer mulch — they'll only cut.

Six of the mowers in our test are designed for use with a catcher, but only five of the catchers are readily available in Australia (see the table for details). We're told you can order the catcher for the MTD, but it will take around six weeks to come from the US and costs about $70. We didn't test it. Two models come with side chutes to spread the clippings over the lawn instead of catching them.

Catchers and chutes are included in the prices of the mowers, except for the MTD and the Husqvarna — its catcher is optional and costs about $65.

All five catchers collected both wet and dry grass, and both side chutes gave an even spread of clippings about two metres from the right-hand side of the mower.

However, the Husqvarna's catcher has a side-mounted bag. We found that it only filled about three-quarters full with dry grass because the clippings fell to the bottom of the bag and blocked the intake. On wet grass, both Victa catchers only filled about half full because wet clippings built up at the front of the catcher and blocked the intake.

the clippings spread in clumpy rows.

We didn't test long-grass mulching because these mowers aren't designed for that task.

The test: ease of use

We assessed eight factors — including things like vibration, handle comfort and controls — and combined them into an overall ease of use score.

The **HUSQVARNA**, the **MTD Yard Machines 50** and the **MURRAY** were the largest mowers we tested in terms of cutting width, and in general they weren't as easy to use as others: they were harder to manoeuvre and adjust for cutting height, and their handles were difficult to fold. The **MTD, the MASPORT Mulcher XM50** and the **HUSQVARNA** were also less easy to push.

The other low scorer for overall ease of use was the **TRIM RITE**. It was less easy to push, manoeuvre and adjust for cutting height. It had an awkward and uncomfortable handle and — worse still — on the sample we tested, the throttle control markings were incorrectly labelled. The starting position was marked stop, and vice versa.

WHAT TO BUY

MASPORT Mulcher XM50	$539
FLYMO FM206	$549
HUSQVARNA 51M	$539
MASPORT Combo A81988	$599
VICTA Mulch or Catch 4 MCA401D	$589

Of the five mowers in our *What to buy* list, note that the **HUSQVARNA** has a smaller number of cutting height options compared with the other mowers we tested (see table column 2, page 47), but a wider cut.

While the majority of them have between 10 and 13 positions, with height increment notches of less than 7 mm, the **HUSQVARNA** only has seven positions with increments of 13 mm. Because of this narrow range of cutting positions, the average user would in practice most of the time be left with a choice of only two height settings for shorter grass (about 21 mm or 34 mm).

However, in light of the **HUSQVARNA's** overall performance we've kept it on our list of recommended buys. With its large cutting width it would be ideal for mowing big yards — as long as you don't mind sacrificing the convenience of having a better selection of cutting heights.

WHAT TO LOOK FOR

First and foremost, make sure you know what type of mower you need (see *Electric, petrol or push?*, page 46). If you decide to go with a petrol mower, look for one that:

- Is easy to push and manoeuvre around obstacles.
- Has a comfortable handle that's easy to fold for storage. An adjustable-height handle would be useful if more than one person will be using the mower.
- Is easy to maintain. Check that its air filter, spark plug and filler hole for fuel (and oil, if it's a four-stroke engine) are easily accessible.
- Has a single lever (rather than one for each wheel) to adjust the cutting height, and an adequate range of available heights.
- Has large wheels for easier movement over rough ground.
- If you decide you need a catcher (see *Catchers and chutes*, left) make sure it's easy to attach, remove and empty.

Environmental issues

Grass clippings: Mulching mowers make it much easier to recycle your grass clippings. Ideally, the mower will cut the grass, chop up the clippings and then spread them evenly around the roots of your lawn. This natural composting means your lawn will require less fertiliser and water (mulch aids in the retention of moisture); and because the clippings become compost — not garbage — these mowers can also help alleviate land-fill problems.

Fuel: Both electric and petrol mowers use non-renewable fossil fuels. Petrol mowers consume the fuel directly, while electric mowers harness power which — for most of Australia — is generated by burning coal or natural gas. Unlike petrol mowers, electric ones don't produce fumes that contribute to smog or are unpleasant to breathe, and are generally quieter.

Motors: Petrol mowers will have either a two- or four-stroke motor. However, as a result of concerns over the level of pollution caused by two-stroke motors, manufacturers are scaling down production of these mowers. Some newer two-stroke motors pass emission standards in some US states.

Two-stroke motors use a mixture of oil and petrol, which means the oil is partly burnt and spewed out into the atmosphere. With four-stroke motors, the oil is kept separate and needs to be changed regularly. If the oil is recycled — and not simply emptied in a corner of the yard or thrown out with the garbage — then the four-stroke motor is better for the environment. Only one mower in our test, the **VICTA Mulch or Catch 2**, has a two-stroke motor.

The lawnmowers profiled are those in the *What to buy* list. Prices shown are a good target to aim for when shopping around, based on nationwide checks in August/September 1997. Anything lower is a bargain.

Masport Mulcher XM50

(46 cm width of cut)
Target price: $539

Good points

- Equal highest cutting score.
- Equal easiest mower to start.

Bad points

- Equal hardest to push.
- Equal worst model for vibration.

Flymo FM206

(47 cm width of cut)
Target price: $549

Good points

- Equal highest ease of use score.
- Easiest cutting height adjustment.
- Easiest to push and manoeuvre.
- Lightest of the recommended models.

Bad points

- Equal worst mower for vibration.

Husqvarna 51M

(51 cm width of cut)
Target price: $539

Good points

- Can be used as a mulcher or with an optional catcher.
- Equal highest cutting score.
- Highest score for mulching.
- Equal best mower over rough ground.
- Least discomfort from vibration.
- Wider cut is good for larger areas.

Bad points

- Only seven cutting height positions (compared with 10 to 13 on the other models) with very large increments.
- Lowest ease of use score of the recommended models.
- Wheels have to be separately adjusted for cutting height.
- Least comfortable handle of the recommended models.
- Equal hardest to push.
- Hardest to manoeuvre of the recommended models.
- The handle is difficult to fold for storage.

Masport Combo A81988

(45 cm width of cut)
Target price: $599

Good points

- Can be used as a mulcher or with a catcher.
- Equal highest ease of use score.
- Equal easiest mower to start.

Bad points

- None noted.

Victa Mulch or Catch 4 MCA401D

(46 cm width of cut)
Target price: $589

Good points

- Can be used as a mulcher or with a catcher.
- Equal highest cutting score.

Bad points

- Lowest mulching score of the recommended models.
- An awkward mower to start.
- Equal worst model for vibration.
- Catcher doesn't fill when cutting wet grass.

A single lever to adjust the cutting height — as on the Flymo in the photo — is much more convenient than a lever for each wheel.

Safety

Read the safety precautions and instruction book *before* using a mower. Some important safety rules to remember are:

- Don't use a mower without eye protection. Ear protection is also advisable.
- Wear adequate clothing such as long trousers and sturdy footwear.
- Before mowing, clear your lawn of sticks, rocks and any other objects which can become hazardous projectiles.
- Before working on a petrol mower or checking the blades, remove the spark plug lead to prevent accidental starting.
- Don't start the mower in the same area where you refuel.

PETROL MULCHING MOWERS

1

	Brand / model (in rank order)	Type	Manufacturer / distributor	Origin*	Target price ($)**	Warranty (years)	Features	We (kg
	MASPORT Mulcher XM50	Mulcher	Masport	NZ	539	1 (D)	Wash nozzle	26
	FLYMO FM206	Mulcher	Electrolux	Australia	549	1	Wash nozzle	24
equal	**HUSQVARNA** 51M	Mulcher / catcher	Husqvarna	US	539	2	Side chute, deadman's handle, rear deflector	27
	MASPORT Combo A81988 (A)	Mulcher / catcher	Masport	NZ	599	1 (D)	Wash nozzle	28
	VICTA Mulch or Catch 4 MCA401D	Mulcher / catcher	Sunbeam	Australia	589	2	Wash nozzle	27
	ROVER Mulch 'N Catch 35/M92	Mulcher / catcher	Rover Mowers	Australia	599	1	Wash nozzle	28
	VICTA Mulch or Catch 2 MCA201D (B)	Mulcher / catcher	Sunbeam	Australia	579	2	Wash nozzle	27
	MURRAY 20805B (C)	Mulcher	Parklands Trading	US	549	2	Deadman's handle, rear deflector	28
	MTD 738C	Mulcher	MTD Products	US	559	2	Side chute, deadman's handle, rear deflector	25
	TRIM RITE MM Mulchmo 375 SP	Mulcher	Trimrite	South Africa	529	1	Wash nozzle	22

* Origin is where the mower is assembled — the motor may be made elsewhere. Only the Victa Mulch or Catch 2 is fully made in Australia.

** Prices shown are a good target to aim for when shopping around, based on nationwide checks in August/September 1997.

*** Weight is of mower only — catcher is an extra 2.1 to 2.6 kg.

na Not applicable.

(A) Discontinued in October 1997, but you may still find it in shops.

(B) Engine specifications changed September 1, 1997, so newer models may perform slightly differently.

(C) 'B' model tested is identical to 'X19' model.

(D) Plus extra one year on parts if warranty card is returned.

(E) When set for catching the range is 16-62 mm; when set for mulching 31-84 mm.

TIP: If the grass is too high for your mulching mower to handle, it will sputter and stall. We noticed with all the models that if the motor started to labour and large quantities of grass were left on the surface, this problem could usually be solved by raising the cutting height one notch — or the equivalent height on the Trim Rite, which has a screw adjustment.

How reliable have subscribers found them?

We asked a group of subscribers whether their petrol mower had needed repair over the previous 12 months and if they would purchase the same brand again. Almost one in four had needed repair — a pretty poor reliability record. The average cost of repairs was $77.

The graphs on the right show the results for the brands for which we got sufficient answers (the number in brackets tells you how many readers reported on the brand). Note that the results of the survey also cover brands not included in this test, and that we don't have reliability data for all brands on the market.

Percentage not needing repair

Percentage who would buy the same brand again

Electric, petrol or push?

The type of mower you need depends on the size of your lawn, the kind of grass you have, and the frequency with which you cut it. To a large degree, it also depends on personal preferences. Here's a look at some of the pros and cons of the most popular options.

Petrol mowers

Pros: These can usually cope with much thicker and longer grass and — because they're not tethered to a power outlet — are easily manoeuvred around obstacles.

Cons: Compared with electric mowers, petrol ones tend to be heavier and not as easy to maintain and start.

Electric mowers

Pros: They're generally lighter and easier to use than petrol mowers. They're also easier to start and you don't have to bother with messy mixes and fills with oil and petrol.

Cons: They often perform poorly when cutting long grass, and the power cord can cause tangling problems and limit your cutting range.

Electric hover mowers

Pros: Hover mowers are very manoeuvrable and easy to use — they simply glide along on a cushion of air.

Cons: In addition to the inconveniences posed by power cords, hover mowers have to be carried to the lawn; and because they don't have wheels they're harder to move when they're not running.

Manual push mowers

Pros: They have the unadorned reliability of a simple workhorse and they're very friendly to the environment.

Cons: They're really only suitable for home owners with a small lawn and a strong back.

3	4	5	6	7	8	9	
Cutting height range (mm)	Width of cut (cm)	Catcher capacity	Noise at user's position / 7.5 m (dB)	Cutting score (%)	Mulching score (%)	Ease of use score (%)	Overall score (%)	Brand / model (in rank order)
18 — 76	46	na	80 / 69	90	75	65	76	**MASPORT** Mulcher XM50
10 — 67	47	na	83 / 68	80	70	75	75	**FLYMO** FM206
21 — 97	51	Medium	80 / 67	90	80	60	75	**HUSQVARNA** 51M
10 — 70	45	Large	84 / 71	80	70	75	75	**MASPORT** Combo A81988 **(A)**
10 — 69	46	Large	85 / 71	90	65	70	75	**VICTA** Mulch or Catch 4 MCA401D
16 — 84 **(E)**	44	Large	83 / 72	85	60	70	72	**ROVER** Mulch 'N Catch 35M92
12 — 68	46	Large	86 / 73	75	65	70	70	**VICTA** Mulch or Catch 2 MCA201D **(B)**
24 — 90	49	na	82 / 69	85	50	60	65	**MURRAY** 20805B **(C)**
28 — 93	51	na	84 / 72	85	60	50	64	**MTD** 738C
12 — 45	46	na	83 / 69	75	65	50	62	**TRIM RITE** MM Mulchmo 375 SP

equal

1 Features

Features include a nozzle for washing under the mower, a side chute for spreading clippings, a deadman's handle for extra safety, and a rear deflector to help shield against objects that might become dangerous projectiles — see right.

2 Number of cutting positions

It's best to have a wide range of positions to set the height you want your lawn to be. Unlike the other mowers, which are adjusted with levers, the **TRIM RITE** uses a rotating knob to change the cutting height. We found this a more tedious method.

3 Cutting height range

This is the range of lengths the mower can cut the grass to (that is, the length the grass will be after cutting). If your lawn is very overgrown, a mower with a lower maximum height will probably have more trouble cutting it.

4 Catcher capacity

The amount of grass a catcher can hold will vary with the type of grass you're cutting and whether the lawn is dry or wet, which is why we've simply classified the capacities as 'large' or 'medium' in this case.

5 Noise

Noise was measured at the position of the user's ear and from a distance of 7.5 metres from the mower. They're all fairly loud, but you might start to notice a difference between the quietest and the loudest.

6 Cutting score

This combines scores from cutting tests done on short grass (buffalo), medium grass (couch) and long grass (a mix of couch, buffalo and weeds). The short grass was cut from 30-40 mm down to 15 mm, the medium-height grass from 70-80 mm down to 30 mm (or the nearest setting available in each case). The long grass was cut from 300-400 mm down to the highest setting on each mower. The three cutting tests made up 50%, 35% and 15% of the total cutting score respectively.

Above: When tilting a four-stroke mower, it's important to keep the spark plug or filter face up to prevent oil from the sump flooding them and making the mower difficult (or impossible) to start. Features to look out for (clockwise from top left): washing nozzle; deadman's handle (the mower stops the instant you release it); side chute; rear deflector.

7 Mulching score

Mulching performance was assessed by observing the amount of grass left on the surface and whether it was evenly spread or left in rows or clumps. The overall mulching score is made up of the results from tests done on short and medium-height grass, which accounted for 60% and 40% of the score respectively. Long-grass mulching was not assessed because these mowers aren't designed for that task.

8 Ease of use score

Eight ratings were combined to reach an overall ease of use score for each mower. The eight factors — along with the percentage each was weighted by in the overall tally — are as follows:

- Pushing (30%)
- Manoeuvrability (15%)
- Vibration (10%)
- Handle comfort (10%)
- Controls (10%)
- Cutting height (10%)
- Starting (10%)
- Use on rough ground (5%)

9 Overall score

The overall score was a combination of cutting performance (30%), mulching performance (30%) and ease of use (40%).

RECALLS & BANS

If you find a recall or ban not on our list, please let us know. Companies often rent 1800 numbers for a couple of months after the recall is announced. If the number given is no longer operating, phone the manufacturer or retailer direct.

THE PRODUCT: Wing Hing Herbal Shop has recalled **Stephania Tetranda Dried Herbs**, expiry date 18 Jan 1998.

The problem: The product has tested positive to *Aristolochia fangchi*, which has been linked with renal failure.

What to do: Don't use the product. Return it to Anthony Ng, Wing Hing Co, 197 Wickham Street, Fortitude Valley 4000 or phone (07) 3854 1419 to arrange return of the affected product and a refund.

THE PRODUCT: Cathay Herbal has recalled **Cathay Xuan Bi Tang pills,** batch number 02/200, expiry date March 2000 and **Cathay Fang Ji Huan Qi Wan pills,** batch number 02/062, expiry date June 2000, and batch number 01/062 (no expiry date).

The problem: The product has tested positive to *Aristolochia fangchi*, which has been linked with renal failure.

What to do: Don't use the product. Phone Liz Bardot on (02) 9212 5151 to arrange return of the affected product and a refund.

THE PRODUCT: Franco's Street Café has recalled **Bankers Lamp Model 9001**, sold through Woolworths and specialty lighting stores after April 1997.

The problem: The lamps were sold disassembled and were not provided with a component necessary to ensure protection against electric shock. Assembly may have also caused damage to wiring.

What to do: Don't use the product. Disconnect it and phone Franco's Street Café on 1800 356 332 (Monday to Friday, 9 am to 5 pm).

THE PRODUCT: Jackel has recalled all **Durex Select Condoms.**

The problem: The condoms were released before marketing authorisation had been granted and before the product had been listed in the Australian Register of Therapeutic Goods.

What to do: Return all Durex Select products to the place of purchase for refund or exchange. Queries should be directed to Jackel on 1800 025 021.

THE PRODUCT: Maxwell House has recalled **Coffee Granules,** 150 g, best before 19 Feb 99; 28 Feb 99; 04 Mar 99, and **Tang Orange Flavoured Vitamin C Supplement,** 500 g, best before 25 Aug 1999.

The problem: Metal pieces from a machine component in the jar-filling process have been found in a small number of coffee jars. The Tang has been recalled as it uses the same jar-filling process.

What to do: Return the product to its place of purchase for a full refund. Enquiries can be made on 1800 244 054.

THE PRODUCT: Serviher Laboratories has stopped distribution of **Adifax capsules** (dexfenfluramine 15 mg) AustR 10239 and **Ponderax PaCaps** (fenfluramine 60 mg) AustR 10248.

The problem: Recent US reports have described an unusual abnormality of heart valves in some patients who had taken one of these products, most often in combination with another weight-reducing medicine (phentermine, known as Duromine in Australia).

What to do: If you have an uncompleted pack, you may return this to the pharmacy of purchase, which will arrange a refund. If you wish to finish taking your Adifax or Ponderax capsules but would like to discuss this decision, consult the prescribing doctor. For further information call 1800 331 675 or 1800 677 058 (Monday to Friday, 8 am to 7 pm).

THE PRODUCT: Vista Corporation and **Faulding Healthcare** have recalled the following **saline solutions** with batch numbers beginning with **7:**

- Kontack Preserved Saline Solution 480 mL.
- Kontack Multi Purpose Solution Preserved 480 mL.
- Vista Preserved Saline Solution 500 mL.
- Chem Mart Preserved Saline Solution 480 mL.
- Amcal VisiClear Multi Purpose Solution Preserved 500 mL.
- Soul Pattinson Preserved Saline Solution 500 mL.
- Soul Pattinson Multi Purpose Solution Preserved 240 mL and 500 mL.
- Vista Eye Comfort Drops 25 mL.

The batch number is displayed on the bottom or side of the bottle.

The problem: Recent test results indicate that these batches may not be sterile. Use of the product may result in eye or other serious infection.

What to do: Don't use it. Return it to the place of purchase for a refund or call customer service on 1800 248 813 to arrange return and obtain a refund.

THE PRODUCT: Novo Nordisk Pharmaceuticals have recalled **Insulin 2 Neutral,** neutral insulin injection (bovine) 10 mL multidose vial, batch number 5050716, expiry date 28.02.98.

The problem: A storage defect has caused the insulin in some vials to become cloudy. Such insulin will not affect blood glucose levels properly.

What to do: Don't use the product. Return any vials to your pharmacist for replacement. If you're concerned in any way about the use of this product, consult your doctor.

THE PRODUCT: Hungry Jack's has recalled **Eye Spies**, a toy distributed with Kids Club meals in WA, SA, NT, country Victoria and Queensland between August 19 and September 19, 1997.

The problem: There is a risk that some of these toys may break and small parts may be hazardous if ingested or inhaled by young children.

SAFETY ALERT

THE PRODUCT: Hella Australia advises the withdrawal of **Hella Side Marker Lamps,** part numbers 2006 (12 volt), 2006BL (12 volt) and 2007 (24 volt). This covers all lamp assemblies purchased between March 1 and September 1, 1997.

The problem: Tests indicate that it is possible for an electrical short-circuit problem to occur with these lamps.

What to do: Return the product to your local Hella Australia distributor. Returns should be addressed to the Quality Assurance Manager and have the reference SPPR 9701 marked on the outside of the pack. For further information call 1800 061 729.

What to do: Destroy these toys immediately or return them to your nearest Hungry Jack's store. For further enquiries contact John Wright at Playcorp Pty Ltd on (03) 9329 2999.

THE PRODUCT: Novakraft is replacing safety rails on its **bunk beds.**

The problem: Beds supplied prior to August 1, 1997, have clip-on safety rails which can dislodge or give way, causing accidents.

What to do: Phone Novakraft on (02) 9546 7966 to arrange replacement of the safety rail.

THE PRODUCT: Moulinex has recalled **Moulinex 864 juicers** made before July 1, 1995. To determine the date of manufacture, look at the five figures inscribed on the underside. The first two figures relate to the day, the next two figures to the month and the last one to the year (for example, 12093 would mean September 12, 1993).

The problem: The filter and lid may vibrate excessively, causing the cover and filter to come away from the juicer.

What to do: Stop using the appliance. Phone the Moulinex support line on 1800 674 785 (Monday to Friday, 8.30 am to 4.30 pm) to arrange repair of the product.

THE PRODUCT: Unifoods has recalled **Rosella Tomato Soup** 690 g bonus can — free 38% extra, batch number 2167.

The problem: Some of the cans in this batch did not meet quality specifications.

What to do: Don't eat the soup. Return the can to the place of purchase for a refund. For more information contact Unifoods on 1800 801 885.

THE PRODUCT: Brauer Biotherapies has recalled **Infant and Baby Infant Calm,** 100 mL bottle oral liquid, batch number HR080, expiry date 05/00.

The problem: The microbial content in several bottles is above an acceptable level.

What to do: Don't use the product. Call customer service on 1800 241 625 to arrange return and a refund.

THE PRODUCT: Chem Mart has recalled **Chem Mart Daytime/Night-time Cold and Flu tablet blister pack,** batch number 44214-6, expiry date 5/99, and batch number 43889-90, expiry date 7/99.

ELECTRICAL SAFETY WARNING

THE PRODUCT: JD MacDonald Model Mk II Hand Dryer, approval marking CS78204V, manufactured between February 1984 and December 1987.

The problem: An internal wire may come into contact with the metal pushbutton control rod, which may result in the user receiving an electric shock.

What to do: Immediately disconnect the hand dryer from the power supply. Phone JD MacDonald on 1800 023 441 (8.30 am to 4.30 pm, Monday to Friday) to arrange for a free service call.

The problem: There is a possibility that the blue night-time tablets, which may cause drowsiness, have been packed in the daytime pockets.

What to do: Return the product to the pharmacy of purchase to obtain a refund.

THE PRODUCT: Health World has recalled **Ethical Nutrients Echinachea Cold Relief for Children,** 50 mL bottle oral liquid, batch number 1789, expiry date Jun 99.

The problem: The yeast in the product is above an acceptable level. This may cause fizzing and production of gas within the bottle.

What to do: Don't use the product. Call customer service on 1800 633 344 to arrange return and a refund.

THE PRODUCT: Alcatel Australia has recalled the **Mobile Phone HC Rapid Battery Charger,** with date codes prefixed 'C95' and 'C96', sold between August 1995 and July 1997.

The problem: Heating of electrical circuitry may cause the unit to be unsafe in certain circumstances.

What to do: Call 1300 655 265 (Monday to Friday, 8.30 am to 6 pm EST) to book a suitable time to exchange the product. Until it's exchanged:

- Always use the product in a ventilated area.
- Keep the product in a dry location.
- Don't use it if it becomes hot to the touch.

THE PRODUCT: Cresta Smallgoods (Qld) has recalled the following goods with use-by dates of 2/9/97 and 4/9/97:

Beef steakettes; beef rissoles; pork sausages; chicken sausages; spicy Italian sausages; bratwurst sausages; curry pork sausages; old English sausages; beef steak sausages; beef and bacon sausages; beef and honey sausages; tomato and onion sausages; Chinese Lup Chong sausages; pork and apple sausages; pork and cheese sausages; beef chipolatas; pork chipolatas; herb and garlic sausages; BBQ sausages.

The problem: The goods may contain small metal fragments.

What to do: Return the goods to the place of purchase for a refund. For further information call Cresta Smallgoods (Qld) on (07) 5593 6822.

THE PRODUCT: Melbourne Import & Export has recalled the **Changshu Tongrun Rangier-Wagenheber Hydraulic Trolley Jack,** 2 ton, distributed by the company between April 20, 1996, and May 2, 1997.

The problem: The jack's stated capacity of two tons is incorrect and should read 1500 kg; it is unsuitable for lifting weights greater than 1500 kg. The jack is not marked with operating instructions as required by Australian Standard AS 2615-1987 and the instruction manual fails to contain recommendations for safe usage.

What to do: Don't use the jack. Return it immediately to the retailer from which it was purchased for readjustment, relabelling and amended instructions or a full refund.

THE PRODUCT: Woolworths has recalled the following **meat products,** purchased from the meat department at its Crossways Shopping Centre, Subiaco (WA), supermarket between August 25 and 27, 1997:

Beef mince; premium beef mince; diet beef mince; lamb mince and pork mince.

The problem: These goods may contain metal fragments.

What to do: Return any product purchased to the Crossways Centre shop for a full refund. Further information is available from the Woolworths recall co-ordinator on (09) 9351 5123. ❑

How much fluoride?

Further to your article on fluoride and the box on children's toothpaste, a check of some pastes reveals Colgate Junior at 0.304% sodium monofluorophosphate, Colgate Regular at 0.76%, Colgate Sparkle at 0.76% and then Oral B Bananas in Pyjamas at 1.1 mg/g of sodium fluoride.

The initial reaction is to see the Oral B as highest, but then you realise that 1.1 mg/g is 0.11% and is the lowest.

My question is, shouldn't there be a standard unit for reporting concentrations of ingredients?

Paul Biggs
via email

It's very difficult to work out the amount of fluoride in toothpaste — even more difficult than Paul suspects. Fluorine is in fact the element in question — when it's joined with other things it's called fluoride. The figures quoted on toothpaste aren't for fluorine alone, but for the whole combination of fluorine and whatever else it's joined to (such as sodium monofluorophosbate). You'd practically need a degree in chemistry to work out how much actual fluorine is in the product.

We got our chemist to work it out, and it goes like this:

- *A typical concentration in regular toothpaste is 0.76% sodium monofluorophosphate, which works out at 1002 mg/kg fluorine.*
- *0.304% sodium monofluorophosphate contains 401 mg/kg fluorine.*
- *1.1 mg/g of sodium fluoride contains 498 mg/kg fluorine.*

If you want to choose the lowest-fluoride toothpaste for your child you'll probably have trouble, given the form the information is in on the label. And we found one toothpaste aimed at kids (Sigma Jack 'n'Jill Raspberry fluoride toothpaste) which didn't have any ingredient labelling at all.

We agree with Paul that there should be a standard format for reporting the fluorine content of toothpaste — for example, in mg/kg. There's nothing to stop manufacturers from doing this, so hopefully we'll see it in the future. ❑

LETTER OF THE MONTH

We want to hear from you — your experiences help our research and often let other readers know about scams and rip-offs. To say thank you for writing to us, each *Your Letters* awards a prize of a CHOICE book to the 'Letter of the month'. This month's winner, Paul Biggs, receives *Safe and Secure,* which explains how to make your home, your car and yourself safer, with practical tips on improving your security cheaply and effectively. (Paul: please contact our Consumer Information Service on (02) 9557 3399 to let us know where to send the book.)

We're sorry we don't have the resources to answer all your letters personally, and in the magazine we may edit them or print only an extract. See page 2 for how to reach us.

INSIDE story

There are many important topics which CHOICE can only report on with your help, such as the reliability of household appliances, the performance of airlines, which supermarket is cheapest, women's experiences of choices in childbirth, car reliability, how well health funds perform and whether the hospital system is meeting your needs.

That's why several times a year CHOICE surveys thousands of our subscribers — over 100,000 in any one year. The results allow us to report on the real experiences of Australian consumers in a way that no-one else does. We also get a lot of unique and useful information from the letters people send to us with their completed forms.

The surveys are administered by our Consumer Research Department, who not only design and send out the forms, but also collate the information that comes back and subject the results to rigorous statistical tests before we publish it. We send out six large mail surveys a year and up to seven people at one time can work on processing one of these major projects.

We also carry out surveys by telephone. You may be called to find out your opinion about the most recent issue of the magazine and whether we're meeting your needs for consumer information. This is just one way we try to make sure we're satisfying our subscribers.

So if you receive a call from us or a form in the mail, please try to spare the time to respond. Reporting on your experiences as a real consumer buying goods and services is a very important part of the work we do.

ABOUT THE AUSTRALIAN CONSUMERS' ASSOCIATION

The Australian Consumers' Association is a non-profit, non-party-political organisation, established in 1959 to provide consumers with information and advice on goods, services, health and personal finances, and to help maintain and enhance the quality of life for consumers. It is a Council member of Consumers International.

We are completely independent. We buy all the products we test on the open market. We are not beholden to any commercial, government or union interests, and we don't accept advertising, paid or unpaid. Our income is derived from the sale of CHOICE and our other publications and products.

We test and rate products and services. Our ratings are usually based on quality without regard to price, and are derived from lab tests, expert judgments and reader surveys. If a product is high in quality and relatively low in price, we deem it a **Best Buy**. A rating applies only to the brand and model tested, not to other models sold under the same brand name, unless so noted. We can't conduct special tests or provide information about tested products beyond what appears in CHOICE. Financial information in CHOICE is of a general nature, and is not intended to be advice on individual investments which should or should not be made.

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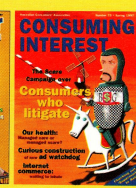

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Twelve-month INDEX

December 1996 — November 1997

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* indicates an update of a previous report, additions or corrections to reports, small follow-up items or letters.
For space reasons, the index generally doesn't include Choice Cuts, many other small pieces and Recalls and Bans.

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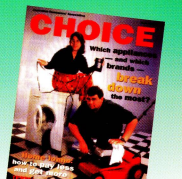
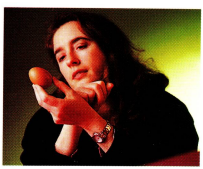


Eggspectations

Whatever your preference, how do you really know you'll get what you expect in an egg?

WANTED: CHICKEN-FRIENDLY EGGS



When Liz Munn gets to the egg rack in the supermarket she dithers for ages, wondering what to buy. She wants eggs from chicken-friendly farms, but finds the choice very difficult to make.

"There just doesn't seem to be a perfect egg from the chicken's point of view," says Liz. "I'd like to know that the chickens are free to run around as they please, but I also want to know they're not having their beaks chopped off." The definitions below should help her decide.

Beak trimming and tipping

The Australian Egg Industry Association says birds need to have their beaks 'trimmed' or 'tipped' to prevent them from harming each other.

While the RSPCA agrees with this, it has stricter guidelines on when the practice can take place and how much of the beak can be taken off. However, other animal welfare groups say it's a cruel procedure which is only necessary when the animals are kept in cramped and crowded conditions.

Beak trimming and tipping aren't permitted by state-based free-range associations, which exist in NSW, Victoria and Queensland, or by the three organisations that provide organic certification.

NINETY FIVE PER CENT OF EGGS ON sale are from caged birds. Under this system, hens are kept in small wire cages which hold up to five birds. The Australian Egg Industry Association (AEIA) says the cages are big enough for hens to stand erect and move about in, but the Australian and New Zealand Federation of Animal Societies (ANZFAS) says this is misleading. They claim the birds can only stand erect in one part of the cage and are only able to move if all the other birds in the cage move at the same time.

"Barn-laid"

If you see this on a label, it means the birds are confined to a shed divided into pens, each containing up to 1000 birds. Recently the RSPCA endorsed this system as a more humane alternative because birds have litter in which to dust and bathe, space to spread their wings and room to stretch and socialise. However, the RSPCA endorsement allows some beak trimming (see left).

"Free-range"

Under this system, hens are free to move over an area of open ground during the day, but free-range farms still practise beak tipping (see left).

The RSPCA hasn't endorsed any free-range farms because of concerns about the vulnerability of birds to weather and attack from predators. Other animal welfare groups, however, don't share this concern.

"Organic"

Organic farming (including 'biodynamic' and 'biological') is a system of ecologically sustainable agriculture which avoids using synthetic pesticides, fertilisers and antibiotics.

Three organisations provide certification for eggs produced under such a system. All three require the hens to be free-range and to be fed certified organic grain. While the Biological Farmers Association and NASAA allow feed to contain meat meal (ground-up abattoir waste), Demeter does not. No beak trimming or tipping is allowed under these certifications.

"Vegetarian"

These usually come from caged birds which are fed a diet that doesn't contain ingredients sourced from either meat or fish. Other protein sources such as soy meal are used instead.

"Omega-3 fat-modified"

Omega-3 may make your blood less likely to clot. These eggs come from caged birds that are fed a special diet to produce eggs with a higher omega-3 fat content.

The bottom line

There is no specific government regulation of egg labelling, no industry-wide standards and little checking of claims. So if you're like Liz and you're looking for chicken-friendlier eggs, the certification systems like those mentioned above are at present the best guide. But without proper inspection, even these may be of little use. ❑

CERTIFIED FREE RANGE FARM
ACCREDITED FREE RANGE FARM
FREE RANGE EGG & POULTRY ASSOCIATION OF VICTORIA INC.
PACE FARMS
RSPCA
Liberty eggs
700g
Put the CHICKEN BEFORE the egg.
Free Range Eggs
PACE FARMS complies with the Australian Egg Industry Association's Free Range standards
Packed by PACE FARMS Lot D Richmond Rd. Dean Park. NSW 2761

Far left and second left: Look for these logos if you want free-range eggs that are supposed to come from farms that don't allow beak trimming or tipping. Farms in Victoria and Queensland that produce these eggs are inspected before being accredited and are given regular follow-up inspections; in NSW there's an initial inspection but no follow-ups. Second right: RSPCA-endorsed barn-laid eggs. Right: The 'free-range standards' referred to are only voluntary guidelines which allow beak tipping, and there is no inspection of farms.